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## Farmer's Notebook - Reducing input costs becomes imperative

M. J. Prabu



Biogas is one of the components of low input sustainable practice. Photo: Special Arrangement

*About 35 per cent of external input cost seems to have been reduced*

The main objective of technology-based agriculture must be to reduce input cost while increasing the yield, particularly for small and marginal farmers.

Agriculture scientists would like farmers to realise that reduction of chemical-based fertilizers and pesticides can benefit both man and earth over the long run. Farmers in particular would stand to gain as a major portion of their money is spent on buying these chemicals.

The focus, they believe, must shift to educating farmers on the value of waste matter being generated in both their fields and homes, and availability of technologies to convert waste into wealth. Their farm economics will definitely improve if they realise and adopt this.

It is precisely on these lines that scientists at the Myrada Krishi Vigyan Kendra at Gobichettipalayam, in Erode, Tamil Nadu have been working for the past several years in implementing a project called IFD (Integrated farm development model). Also called as LESA (Low External Input Sustainable Agriculture), the project is at present operational in about 32 villages in Erode district.

### **Designed well**

According to P. Alagesan, Programme Coordinator, IFD is an innovative model especially designed for small-scale farmers for improving farm productivity in a sustainable manner by recycling farm and home wastes.

“The main concept of IFD is to integrate the animal and human wastes into useful and productive components for the manufacture of vermicompost, pest repellents and biogas, thereby reducing input cost for farmers,” he says.

For example, in villages, the urine and dung from cattle are usually washed into a drain or the dung is collected, dried and used as cooking fuel.

“But our IFD farmers collect the urine and dung in a collection tank and use it for generating biogas and manufacturing bio growth promoters such as Panchagavya and Amirtha karaisal, and to make bio pest-repellants,” explains Mr. Alagesan.

### **Breeding earthworms**

The spent slurry from the biogas plant is used for making high quality manure by adding other farm wastes to it, and can also be used for breeding earthworms.

“To ensure food and fodder security, our research team has been conducting several programmes to emphasise the importance of kitchen gardens.

The size of the kitchen garden depends on the family size and income (usually 2-5 cents). A limited supply of water channelled through a low cost micro-irrigation system ensures a good harvest,” he elaborates. High yielding green fodder varieties are also grown in these gardens to

provide fodder for animals. By growing these fodder varieties, the cost of buying feed has come down by nearly 12 per cent, according to Mr. Alagesan.

Technology must be farmer friendly, and IFD farmers have been trained in scientific storage of harvested produce. The farmers store their harvested grains in special grain structures called 'pucca koti' (in Hindi) and metal bins.

These storage structures have been able to minimise grain loss by nearly 20 per cent, and also protect the harvested produce from pest and pathogenic infestations.

Finally, the waste generated from the farmer's family is also not wasted. An eco-san toilet has been designed to collect the faeces and urine separately.

The faeces is covered with wood ash after collection and it falls into a soil pit and decomposes into a rich nutrient which can be safely used as manure.

The urine is separately channelled to the kitchen garden where it seeps into the earth to nourish the plants. Studies conducted in these villages have shown that about 35 per cent of external input cost has been reduced by effective utilisation of farm and home wastes.

### **Forest regeneration**

Use of biogas (2 cubic metre capacity has the potential to save about 210 kg of fuel wood per month) has also brought down firewood consumption. In a village called M.P. Doddi, about nine tonnes of fuel wood in a month has been saved, having a direct impact on regeneration of forest area around the region.

Respiratory problems commonly encountered by the rural women in smoky kitchens have largely been minimised. UNICEF has identified this as an innovative model and has planned to replicate it in other parts of the country.

For more information readers can contact: Mr. P. Alagesan, Programme Coordinator, Myrada Krishi Vigyan Kendra, No: 57 - Bharathi Street, Gobichettipalayam - 638 452, Erode District, Tamil Nadu, e-mail: [myradakvk@dataone.in](mailto:myradakvk@dataone.in), website: [www.myradakvk.org](http://www.myradakvk.org), mobile: 09443897654, Phone : 04285 226694 and 226695.

## ICRISAT, ICAR jointly to fight climate change

The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and the Indian Council of Agricultural Research (ICAR) have joined forces to adapt new measures to tackle the growing climate related risks and constraints that prevail in rural areas.

### Learn from people

The two organizations and their partners emphasized adoption of a different perspective and approach by listening, observing and learning from the people that they are supposed to help with research findings, technology and knowhow.

According to a press release from ICRISAT, Director General of ICRISAT Dr William D Dar had mentioned in his keynote address that they would hold themselves accountable. “We will measure results and stay focused on clear goals: boosting farmers' incomes and over the next decade helping 50 million men, women and children lift themselves out of poverty,” he had said, according to the release.

As is well known, smallholder farmers living in the semi-arid tropics and coastal areas are most vulnerable to changes brought about by climate change.

Director General of ICAR Dr S Ayyappan was also present at the meeting. In his opening address he had said that the collaboration of the two institutions was not recent but dated back a few decades. The collaboration has been beneficial, particularly in addressing the farmers' problems.

“As far as climate change is concerned, it is a global phenomenon. The increase in the atmospheric temperature due to rising greenhouse gas levels such as carbon dioxide, methane and nitrous oxide has been the prime driver of climate change.

During the deliberations, it was reported that the early signs of increasing climatic variability are gradually becoming more visible in the form of increasing melting of Himalayan glaciers, flash floods, and intense rainfall over short periods.

In the case of India, climate change would manifest itself in many ways. For one, it would increase the already existing stresses thereby increasing the vulnerability of food production and livelihoods of the farming community.

And predictably, the small and marginal farmers are most vulnerable to the vagaries of climate change.

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## Farm query

### Income from an acre

Is there any progressive farmer who is earning a lakh of rupees from an acre a year in Kasaragod region? C. Ismail, *Kerala*

Mr. C.N. Narayana Hebbar, an enterprising and dynamic farmer from Bela village, Badiadka Panchayath, Kasaragod, Kerala has around 2 hectares of land.

The net returns from his farm of around two hectare area comes to about Rs. 3.5 lakh per year. To know more contact Mr. C.N.Narayana Hebbar, Chowkar house, P O Bela , Via Kumbbla, Kasaragod, Kerala, Phone: 09446222192 , 04998247234.

BIDAR, May 31, 2012

### When a businessman takes to farming

*Amar Phulekar is expecting a bumper harvest and hopes to earn 30 per cent profit*



Meticulous strategy: Amar Phulekar of Islampur village in Bidar taluk decided on cultivating banana realising that there is demand for the fruit round the year.

What happens when a businessman takes to farming? He approaches it with a meticulous strategy and works hard to make sure he earns profits.

That is what is happening in Phulekar banana farm at Islampur village in Bidar taluk.

The family used to cultivate jowar and sugarcane on 12-acre land, earning less than Rs. 2 lakh a year and making a profit of around Rs. 75,000. However, things changed after Amar Phulekar, an engineer who runs a paint and chemical agency in Bidar, took over the family farm following his father's death three years ago.

He is expecting banana yield worth at least Rs. 25 lakh a year and hopes to earn 30 per cent profit.

### **New approach**

“It did not happen by just replacing the crops with banana plants. It's a whole new way of looking at farming,” said Mr. Phulekar.

“Right at the beginning, I decided on two things — to plough back profits from the farm to business and to be as diligent about all aspects of farming as we tend to be in business matters.”

“Most farmers don't study the market before choosing crops. We realised that banana is in demand round the year. We also found that the demand peaks twice a year — during Ramzan and Dasara-Deepavali season,” he said.

He got “ready-to-plant” saplings from a company which specialised in tissue culture. The company provided inputs such as saplings and fertilizer and also technical advice. He got drip irrigation system installed in the farm. He calculated the cost of inputs, labour cost and post-harvest maintenance cost. “I added 20 per cent to it, as we have to wait for a year to get the yield,” Mr. Phulekar said.

He divided his farm into two plots of seven acres and five acres. He planted the saplings so that he could harvest the yield in one of the plots during Ramzan and in the other during Dasara-Deepavali.

Mulching and on-site compost preparation helped him save spending on fertilizer. "We need only 40 per cent of the water needed for irrigating sugarcane fields," Mr. Phulekar said.

### **Mechanisation**

Mechanisation helped him save labour costs. He uses a tractor to till the field, apply manure and also transport the produce to the market. "I drive the tractor myself. This way, I don't have to pay for a driver," he said.

"In the peak season, we need not more than 10 farmhands for the entire field," he added.

Each plant produces an average of 400 fruits and the expected harvest weight of each bunch is 40 kg, which is more than the district average, he said.

He is expecting a bumper harvest. "I'm sure of earning enough profit to motivate me to increase the area under banana," he said.

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• *Jowar, sugarcane used to be grown on the land earlier*

• *Banana is now cultivated on the 12-acre land*

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### **Mettur level**

The water level in the Mettur dam stood at 79.51 feet on Wednesday against its full level of 120 feet.

The inflow was 1,735 cusecs and the discharge 1,157 cusecs.

CHENNAI, May 31, 2012

### Applications invited for supply of seed coconuts

The Coconut Development Board (CDB) has invited applications from coconut farmers for the supply of seed coconuts of Chowghat orange dwarf, Malayan orange dwarf, Malayan yellow dwarf, Malayan green dwarf and Gangabondam varieties.

A CDB release stated that the farmers should have dwarf coconut mother palms of above eight years for being supplied the seed coconuts. Farmers having more than 50 mother palms of any of the above varieties can apply.

### Seed gardens

The selected seed gardens will be declared mother seed gardens for the regular supply of seed coconuts to the government and other agencies for the production and supply of quality planting materials.

Interested farmers have to submit their applications to the Chairman, Coconut Development Board, Kochi 682 011 or through email: [cdbkochi@gmail.com](mailto:cdbkochi@gmail.com) in 15 days.

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**hindustantimes**

■ Thu,31 May 2012

**weather**

#### Chennai - INDIA

##### Today's Weather



Partly Cloudy

Thursday, May 31

Max Min

42.4° | 29.8°

Rain: 00 mm in 24hrs

Sunrise: 6:35

##### Tomorrow's Forecast



Cloudy

Friday, Jun 1

Max Min

39° | 30°








Humidity: 56%

Sunset: 18:03

Wind: Normal

Barometer: 1002

### Extended Forecast for a week

Saturday Jun 2	Sunday Jun 3	Monday Jun 4	Tuesday Jun 5	Wednesday Jun 6
				
39°   30°	40°   30°	39°   31°	39°   31°	39°   30°
Rainy	Partly Cloudy	Cloudy	Rainy	Rainy



### Wheat procurement to reach 130 lakh tonnes in Punjab: Minister

WEDNESDAY, 30 MAY 2012 23:00

PNS | CHANDIGARH

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Punjab Food and Civil Supplies Minister Ajaib Singh Kairon on Wednesday said wheat procurement in Punjab is set to reach a record 130 lakh metric tonnes, with procurement touching the 128.63 lakh metric tonnes mark on Tuesday.

Congratulating farmers of Punjab, Kairon said the farmers of Punjab were given record payment of Rs 16,528.96 crore as Minimum Support Price on wheat as compared to Rs 6,715 crore paid to them five years ago (in 2007-08). He said wheat procurement has increased by 62 per cent and payment by 145 per cent over the figures of 2007-08. Kairon said the food department in the state also witnessed three fold increase in revenue to Rs 2,022.33 crore over the figures of 2007-08. Moreover, payment to commission agents also jumped to Rs 414.41 crore from Rs 148.33 crore in 2007-08. Kairon said he has held a series of meetings with the Union Finance Ministry officials for sanction of additional funds to ensure timely payments Punjab farmers.

# Business Standard

Thursday, May 31, 2012

## Global consumption of coffee up 1.7% in 2011

Press Trust Of India / New Delhi May 31, 2012, 0:39 IST



Global coffee consumption, the world's second-highest traded commodity after crude oil, rose 1.7 per cent to an estimated 137.9 million bags in calendar year 2011, the International Coffee Organisation (ICO) said.

Worldwide consumption of the brew stood at 135.6 million bags (of 60 kg each) in calendar year 2010. "The total for 2011 is provisionally estimated at 137.9 million bags, an increase of 1.7 per cent in relation to the previous year," ICO said in its report.

During the last 12 years, consumption increased at an average annual rate of 2.5 per cent. Global demand continues to show signs of buoyancy on the back of increased domestic consumption in both exporting countries and emerging markets, it added.

However, there has been a decline in consumption in some countries, ICO said.

"Data for some important markets show significant decreases. This is the case in some traditional markets in southern Europe, such as Spain (-2.6 per cent) and Italy (-1.8 per cent), which have been affected by a combination of higher retail prices and macroeconomic turbulence," it added.

Substantial falls have also been recorded in a number of emerging markets, such as Korea (-17.1 per cent), Algeria (-11.5 per cent) and Ukraine (-10.8 per cent), showing their sensitivity to

high prices, ICO pointed out. Despite the decline, market experts feel consumption of the brew will remain buoyant.

According to market analysts, the rise in consumption globally can be judged with the considerable increase in export volumes and earnings from coffee. The value of total exports in 2011 is forecast at \$23.5 billion for a total volume of 102.4 million bags, against \$16.7 billion for a volume of 96.8 million bags in 2010, according to ICO data.

### **Almond rises 2.96% on spot demand**

Restricted arrivals from producing regions also supported prices

**Press Trust of India / New Delhi May 30, 2012, 15:20 IST**



In limited deals, almond prices rose by Rs 12.50 to Rs 435.25 per kg in futures trading today as speculators created fresh positions amid a rise in demand in the spot market.

At the MCX, almond for delivery in June rose by Rs 12.50, or 2.96%, to Rs 435.25 per kg in single lot.

Analysts attributed the rise in almond futures to pick-up in demand in the spot market against restricted arrivals from producing regions.

### **Potato futures rise as demand picks up**

Restricted arrivals also supported prices

**Press Trust of India / New Delhi May 30, 2012, 14:56 IST**



Amid a pick-up in demand in the spot market, potato prices rose by Rs 17.70 to Rs 1,175.90 per quintal in futures trade today.

At the MCX, potato for delivery in August rose by Rs 17.70, or 1.53%, to Rs 1,175.90 per quintal in business turnover of 13 lots.

The potato for delivery in the June contract edged up by Rs 7.80, or 0.73%, to Rs 1,069.70 per quintal in 35 lots.

Market analysts said pick-up in demand in the spot market amid restricted arrivals from producing belts mainly pushed up potato prices at futures market.

### **Tobacco Board to reduce crop size by 8%**

**BS Reporter / Chennai/ Hyderabad May 31, 2012, 0:08 IST**

Tobacco Board chairman, G Kamala Vardhana Rao, on Wednesday said that the tobacco crop size would be reduced by 8 per cent or about 59 million kgs (mkg) even in the current year.

The board has brought the crop size by the similar quantum last year by reducing the crop size by 5 per cent in Andhra Pradesh and 3 per cent in Karnataka. About 250,000 hectares are under tobacco cultivation in the two states.

India produces around 735 mkg of tobacco annually, of which 375 mkg is utilised for making cigarettes, while 360 mkg is meant for non-cigarette products like beedi and chewing tobacco.

The board, which is the signatory to the World Health Organisation's Framework Convention for Tobacco Control, is reducing the crop size as a part of its effort to curb tobacco usage.

Rao said that the board was also encouraging tobacco farmers to shift to the cultivation of alternate crops like maize, cotton and pulses. Last year, over 4,000 out of an estimated 150,000 tobacco farmers, raised alternate crops instead of tobacco.

He said that the Union government was examining a rehabilitation package, submitted to it three years back, for encouraging tobacco farmers to shift to alternate crops. The tobacco farmers were demanding compensation for the barns they have set up at a cost of Rs 2-3 lakh.

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# THE HINDU Business Line

## Poultry feed prices likely to remain static

Nitish Sharma

Karnal, May 30:

Prices of poultry feed products are likely to remain unchanged until the soyameal market stabilises.

Mr Subhash Sharma, Financial Head, Sarvottam Poultry Feed Supply Centre Pvt Ltd, said that prices of feed products were slashed recently and is unlikely to see any major alteration in the near future.

“We are waiting for soyameal prices to stabilise,” he said.

Prices have been kept at previous levels despite soyameal prices dropping in the last few days. Soyameal prices decreased by Rs 200 a quintal and is currently quoted at Rs 3,100 a quintal.

On the other hand, other key ingredients of poultry feed products are maintaining their previous levels after dropping continuously in the recent past. Maize is being quoted at Rs 1,170 a quintal. Bajra is ruling at Rs 1,080 a quintal and fish oil at Rs 68 a litre, while DCP is quoting at Rs 37-38 a kg.

### Poultry feed products

Broiler concentrates feed was quoted at Rs 1,580, while Broiler Starter Mash at Rs 1,260 for a 50kg bag.

Broiler Pre-Starter Concentrate 30 per cent was sold at Rs 1,390 for a 30-kg bag, while layer concentrate at Rs 1,210 for a 50kg bag.

Pre-lay mash quoted at Rs 815, while broiler finisher was sold at Rs 1,240 for a 50-kg bag.

Meanwhile, a fall in production, coupled with domestic demand, has pushed up egg, chick and broiler prices. On Wednesday, broiler was quoted at Rs 85-90 a kg against the levels of Rs 70-75 last week. The price of an egg increased by 12 paise to Rs 2.54, while that of a chick was Rs 2 up at Rs 12.

The uptrend is as anticipated since production drops in summer, said Mr Vinod Kumar, the owner of a poultry Farm. Demand from within and other States is good and prices are likely to rule around the current levels for the next few days, he said.

### Rapeseed oil surges on lower seed arrivals

Our Correspondent



Mumbai, May 30:

Imported edible oil prices rallied on Wednesday despite a sharp decline in the Malaysian markets. In the spot market, palmolein rose by Rs 4 and soyabean refined oil by Rs 5 for 10 kg. A firm sentiment in the futures market on lower arrival of mustard-rapeseeds in producing areas pushed up rapeseed oil prices by Rs 20 in the physical market.

Sunflower oil was up by Rs 5. Groundnut oil and cotton refined oil ruled unchanged, tracking weak trend in producing centres on higher arrivals of raw materials. The sentiment was cautious with thin volume, said sources.

Mr Shailesh Kataria of Riddhi Broker told *Business Line*: "Edible oil prices will gain in the coming days on fresh buying and short covering with the start of the new month.

As monsoon approaches, the farming community will get engaged in sowing work as arrivals of indigenous seeds in producing areas are expected to decline from next month.

Demand for edible oils from West Asia, India, Pakistan, Bangladesh and China is expected to rise as festival season will start with Ramadan in July.

Possible inventory building demands will lead to improvement in prices".

Mr Kataria said that currency factor is currently dominating the sentiment and week cues from the Euro Zone could push up the dollar.

Market sources said that a rebound in the dollar, making imports costlier and fear of increase in tariff value of refined oils at the domestic level, will lead to refiners raising the price by Rs 2-5 for edible oils.

About 80–100 tonnes of palmolein were traded in resale at Rs 635.

Liberty quoted palmolein at Rs 642 for June, soya oil at Rs 712 and sunflower refined oil at Rs 740.

Ruchi quoted palmolein at Rs 638 for 10-30 June, soya refined oil at Rs 710 and sunflower refined oil at Rs 735. Allana's rate for palmolein was Rs 644 for 15- 30 June.

Re-sellers were quoting palmolein at Rs 636-637. In Rajkot-Saurashtra groundnut oil was Rs 1,810 (Rs 1,800) for Tolia tin and Rs 1,180 (Rs 1175) for loose- 10 kg.

Malaysia's crude palm oil July contracts closed lower at MYR 3,109 (MYR 3,170), August at MYR 3,111 (MYR 3,178) and September at MYR 3,108 (MYR 3,172) a tonne.

**The Bombay Commodity Exchange spot rates were (Rs/10 kg):** groundnut oil 1,175 (1,175), soya refined oil 705 (700), sunflower exp. ref. 665 (665), sunflower ref. 725 (720), rapeseed ref. oil 815 (795), rapeseed expeller ref. 785 (765) cotton ref. oil 665 (665) and palmolein 636 (632).

## Sugar market pauses for direction



Mumbai, May 30:

Sugar prices took a breather at low level on Wednesday after have dropped steadily in the last ten days. Prices at the mill level have fallen by Rs 70-80 a quintal since May 21. In the spot market, it declined by Rs 40-50 a quintal due to continuous selling by mills. At the spot and naka level, prices rule unchanged as supply is ample in local markets. A spokesman for B. Bhogilal and Co said: "Need-based local demand during the month-end and absence of bulk buying by neighbouring States in Maharashtra are keeping activities thin. Traders are not keen on inventory buying despite summer being hot as there is no improvement in demand."

He said: "Sugar futures and the exports market is passing through a weak trend, adding pressure to spot markets. Higher sugar production and the mandate to complete free sale quota sell in time are leaving producers with no choice but to go with the market sentiment."

In Vashi wholesale market, arrivals were 50-52 truckloads and dispatches were 46-48 loads.

On Tuesday, 12-13 mills offered tenders and sold about 45,000-47,000 bags in a steady 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 unchanged since start of the week.

**The Bombay Sugar Merchants Association's spot rates:** S-grade Rs 2,922-2,972 (Rs 2,922-2,971) and M-grade Rs 2,996-3,141 (Rs 2,996-3,141).

**Naka delivery rates:** S-grade Rs 2,880 -2,910 (Rs 2,970-3,040).



## Low domestic output may spark rally in tur

Our Correspondent



Indore, May 30:

Tur prices are likely to rally in the near future on lower domestic production as rain has affected the crop in various states. The domestic market will have to depend on imports that could be costly in view of the rupee's fall to record levels.

According to traders, the total availability of tur this year is estimated to be around 30 lakh tonnes, including 20 lakh tonnes of domestic crop. About five lakh tonnes are likely to be imported, while another five lakh tonnes are estimated as carryover stock.

With demand likely to exceed availability, dependency on imports will rise in all likelihood. The rupee's fall against the dollar prices in the past few weeks will spark a bullish trend, said Mr Ujjwal Nigam, trader. In fact, the rupee's fall has resulted in tur prices rising by over Rs 500 a quintal in the past one week. Tur prices are currently quoted at Rs 4,025.

Meanwhile, prices of pulses and pulse seed ruled stable on Wednesday despite mandis in Indore being closed for a local holiday.

Tur (Maharashtra) ruled stable at Rs 3,925-3,950 a quintal, while tur (Nimari) ruled at Rs 3,000-3,200.

Similarly, tur dal was unchanged with the full one being quoted at Rs 5,800-5,900, the sawa no. at Rs 5,200-5,250 and marka at Rs 6,500-6,600.

Masoor was also bullish as the bold variety was quoted at Rs 3,925-50 a quintal and the medium one at Rs 3,325-3,350 .

Urad and its dal ruled stable on limited buying support with urad (bold) being quoted at Rs 3,400-3,450 a quintal and the medium variety at Rs 2,600-2,800. Similarly, urad dal ruled stable on subdued demand. Urad dal average quality was quoted at Rs 3,900-4,000, the medium one at Rs 4,500-4,600, while mongar ruled at Rs 5,400-5,800.

### Spot rubber gains with futures

Our Correspondent



Kottayam, May 30:

Spot rubber prices ruled firm on Wednesday. Prices increased following sustained gains in the domestic futures market on the National Multi Commodity Exchange (NMCE).

Sheet rubber moved up to Rs 195.50 from Rs 195 a kg both at Kottayam and Kochi, according to traders and the Rubber Board. The trend was partially mixed.

In the futures, the June series improved to Rs 197.15 (196.99), July to Rs 200.05 (199.86) and August to Rs 199.89 (199.31), while the September series slipped to Rs 198.01 (198.75) a kg for RSS 4 on the NMCE.

The key TOCOM rubber futures dropped more than one per cent on late trades after posting moderate gains during the past couple of sessions. Declines in crude oil and other commodities coupled with the worries over the persisting Euro Zone debt crisis weighed over the overall market sentiments. But losses were limited on speculation that China might launch an economic stimulus programme.

RSS 3 (spot) recovered to Rs 204.01 (203.22) a kg at Bangkok. The June futures firmed up to ¥272.5 (Rs 193.48) from ¥270 a kg during the day session but then slipped to ¥268 (Rs 190.32) in the night session on the Tokyo Commodity Exchange.

**Spot rates were (Rs/kg):** RSS-4: 195.50 (195); RSS-5: 194 (193); ungraded: 190 (190); ISNR 20: 194.50 (194) and latex 60 per cent: 131 (130).

### Bearish trend in turmeric likely to continue

Our Correspondent



Erode, May 30:

Spot turmeric prices continued to decline as a higher production and huge stocks with growers cast a shadow on Erode markets. The futures market also ruled low, keeping the spot market under pressure.

“Prices of the powder variety Cora decreased sharply by Rs 300 a quintal on Wednesday and sold at Rs 3,100 -3,200 a quintal. Other varieties, mainly the fine variety one, sold at Rs 3,500-3,600. But the arrival of fine variety has decreased and traders are purchasing limited stocks of powder variety based on orders received from ‘Masala’ firms,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that due to heavy production prices continue to decline. All sales centres are having abundant stocks of turmeric. Prices are unlikely to appreciate. The current trend of price ruling below Rs 4,000 a quintal is likely to continue for another 1-2 months.

Growers said that they are still having plenty of stocks with them. Traders attributed Wednesday's fall to the arrival of over 14,000 bags. Some 14,200 bags arrived, but only 60 per cent were sold.

At the Erode Turmeric merchants Association Sales yard, the finger variety was sold at Rs 2,319-3,510 a quintal and the root variety Rs 2,199-3,399.

**Salem Crop:** The finger variety was sold at Rs 3,779-4,119 a quintal and the root variety Rs 3,199 -3,698 . Of 1,812 bags that arrived, only 650 were sold.

At the Regulated Marketing Committee, the finger variety fetched Rs 3,219-3,691 . The root variety earned Rs 3,189 -3,569. Of 1,557 bags that arrived, 1,388 bags sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 2,811-3,649 , the root variety at Rs 2,689-3,489. Around 1,135 bags were sold against the arrival of 1,172.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 2,689-3,651 , the root variety Rs 2,399-3,439. All 424 bags that arrived for sales were sold.

### **Pepper futures plummet on weak export demand**

New Delhi, May 30:

Pepper prices plunged by Rs 385 to Rs 39,890 per quintal in futures trade on Wednesday after speculators reduced their positions amid weak export demand.



At the National Commodity and Derivatives Exchange, pepper for delivery in July fell sharply by Rs 385, or 0.96 per cent, to Rs 39,890 per quintal, with an open interest of 2,205 lots.

Similarly, the spice for delivery in June traded lower by Rs 380, or 0.95 per cent, to Rs 39,480 per quintal in 3,886 lots.

Analysts said weak export demand as Indian product prices are higher than its rivals such as Brazil and Indonesia in the overseas markets mainly put pressure on the pepper futures prices here but tight supplies limited the losses.

### **Gujarat canal project gets investment clearance**

Our Bureau

New Delhi, May 30:

The Planning Commission on Wednesday accorded investment clearance for the Mahi Right Bank Canal project in Gujarat. The project is estimated to cost Rs 300 crore at 2009 price levels. The project will be completed by 2014-15 and Plan accounts would be closed by March 31, 2015, a Plan panel release said.

It asked the Gujarat Government to ensure that the pricing of irrigation water in this project command was such that it conveyed the scarcity value of water.

“No further time and cost overrun would be allowed, else the project would be debarred from Central assistance,” it added.

## Fertiliser allocations for AP

Hyderabad, May 30:

The Union Government has allocated 41.55 lakh tonnes of fertilisers for Andhra Pradesh for the ensuing kharif season.

“We have already received 4.52 lakh tonnes. Dealers have a combined stock of 8.6 lakh tonnes,” Mr Kanna Lakshminarayana, State Minister for Agriculture, said.

Reviewing the fertilisers stock and supply situation here, he said the Government was confident of the meeting fertiliser requirements of the farmers. Failure of last kharif season had resulted in additional stocks. In all, the State has a buffer stock of 7.4 lakh tonnes.

“But what is worrying is excessive use of fertilisers in districts like East, West Godavari districts and Guntur. They are buying and using more fertilisers in the hope that they can get better yields. This however is not correct. Additional use would only result in increase in cost of production,” the Minister said.

In order to discourage this practice, the Minister has asked the officials to start an awareness campaign throughout the State on the judicious use of fertilisers and chemicals.

## Poultry production drops as summer peaks



Visakhapatnam, May 30:

Summer has taken a heavy toll on the poultry sector and the production has dropped substantially, according to the national member of the National Egg Co-ordination Committee (NECC), Mr B. Rama Rao,

The rate of a dressed chicken has touched Rs 194. A month ago, it was in the range of Rs 130-150 a kg.

The ex-poultry rate for live birds has gone up from Rs 60-94 a kg.

Mr Rama Rao explained that during peak summer the food intake of the birds drops drastically and it becomes difficult for the poultry farmers to produce birds of the desired weight.

The drop in weight could range between 30 and 50 per cent. If a bird weighs about a kilogram under normal weather conditions, during peak summer, it would weigh between 600 and 700 gm.

“Due to this reason, there would be a severe drop in the production,” he said.

Apart from the reduction in weight, the survival of the birds is also a crucial factor.

During April-June, the survival rate falls by 20-30 per cent.

“Both the factors bring down the production rapidly and this results in rate hike,” said Mr Rama Rao.

He said another reason for the rate hike was the steep increase in the feed rate. “The feed rate has grown to Rs 2,700 a quintal from Rs 1,700 during the past four months,” he said.

Soya is the main feed for the birds, and the fall of rupee in combination with the increase in export of soya has seen the increase in its rate in the domestic market.

However, the price of eggs has not increased correspondingly.

“Two months ago it was Rs 2.65 for an egg and it remains so even today. But the production has fallen by 20-30 per cent. The price of eggs has not increased, as the demand for eggs normally drops during summer,” said the Zonal Chairman, Mr G. Ramakrishna Chowdhary.

### Discoms told to ensure 7-hr supply to AP farm sector



Mr N. Kiran Kumar Reddy

*The Andhra Pradesh Chief Minister, Mr N. Kiran Kumar Reddy, today asked the distribution companies to ensure seven-hour power supply to the farm sector.*

Hyderabad, May 30:

The Andhra Pradesh Chief Minister, Mr N. Kiran Kumar Reddy, today asked the distribution companies to ensure seven-hour power supply to the farm sector.

### **Review meeting**

Following a review meeting on the power sector, the Chief Minister wanted a monthly report of how the distribution transformers that have been damaged were being attended to. The Discoms were asked to deploy vehicles with geographical positioning system (GPS) by September 1, 2012 to ensure timely replacement of failed distribution transformers.

### **power ensured**

AP Transco said that the power supply position is satisfactory and that seven hours of power to agriculture sector in two spells is being ensured.

In fact, small-scale industries, spinning mills, rice mills, poultry, cold storage, Government hospitals are among those exempted from power cuts.

However, major industries continue to face 30 per cent power cut.

The average demand in May 2012 was 262 million units a day against 227 mu/day during the same period last year, registering an increase of 15.41 per cent. Discoms are supplying 239 mu/day and the shortfall is 29 mu/day. The Government has negotiated a loan of Rs 988 crore under the Overseas Development Authority (ODA) and the tendering process is now underway.

### **GAS SHORTAGE**

The total installed capacity of gas-based stations is 2,770 MW.

Due to drastic reduction in supply of gas from Reliance D-6 blocks, it has resulted in idle capacity of about 1,300 MW.

The Ministry of Petroleum and Natural Gas has indicated further reduction of gas from existing level which may further reduce the output of independent power producers. They are already operating at a critical level of 38 per cent.



## Madhya Pradesh posts record procurement of wheat this year

PTI



Bhopal, May 30:

Madhya Pradesh has witnessed a record procurement of wheat as a result of bumper production of the crop in the state this year, an official release said here today.

So far, 76.25 lakh tonnes of wheat has been procured from farmers in the state this year. Of the procured wheat, 65.40 lakh tonnes have been stored safely, the release said.

“Record procurement of wheat on support price from farmers has been made in the state this year as a result of bumper production. This has been possible due to better strategy adopted and implemented for wheat procurement by the state government. Thanks to it, farmers are getting full profit on their produce,” the release mentioned.

The number of farmers selling wheat is also rising significantly and so far wheat worth Rs 10,650 crore has been purchased from 8.87 lakh farmers, it said.

## Govt to open foodgrain quality control cells

PTI

New Delhi, May 30:

To reduce damage of foodgrains, the government today said it will open seven new quality control cells in the 12th Five-Year Plan (2012-17) to monitor quality of foodgrains during procurement, storage and distribution.

“We have decided to start seven new quality control cells (QCC) at Guwahati, Patna, Chandigarh, Jammu, Jaipur, Chennai and Ahmedabad in the 12th Plan,” the Food Minister, Mr K. V. Thomas, said after inaugurating the modernised Central Grains Analysis Laboratory (CGAL) here.

At present, the States do not have a very strong quality control mechanism. The proposed new QCCs will help State agencies to ensure good quality grains are procured, stored safely and distributed via ration shops, he said.

Currently, there are eight quality control cells in different cities with small laboratories attached to them for physical analysis of foodgrains.

In 2011-12 fiscal, officers of eight QCCs inspected 1,086 food storage depots, 532 procurement centres, 411 loading and unloading points, 251 rice mills and 1,201 ration shops.

#### Chennai to host awareness seminar on commodities



Mumbai, May 30:

As part of a series of investor awareness and education seminars on agribusiness and commodities, a programme on ‘Agribusiness and Commodity Futures Market’ will be held at Hotel Residency Towers, Sir Thyagaraya Road in Chennai on Friday.

Organised by *The Hindu Business Line* in association with the Forward Markets Commission (the commodity futures market regulator under the Ministry of Consumer Affairs) and the National Commodity and Derivatives Exchange (the country's largest agri-commodity futures

exchange), the event seeks to bring together diverse stakeholders (mainly commodity processors, importers, exporters, local traders, intermediaries and so on) including participants in the physical markets covering mainly grains, oilseeds, sugar, spices and other commodities apart from existing and potential players in the futures market.

Mr M. Mathisekaran, Member, FMC, will inaugurate the event and provide the regulator's perspective to the market. Mr. K. Ananda Kumar, Chief - Corporate Services, NCDEX, will provide the exchange perspective and highlight the importance of futures market as tool for price discovery and price risk management.

Mr G. Chandrashekhar, *The Hindu Business Line*, will speak on commodities as drivers of India's economic growth and benefits of hedging price risks.

Participation is by registration. Call 89391-78880 for registration. Seats are limited.

### Tobacco Board may cut crop size further



<b>GROWING MORE THAN TARGET</b>						(in million kg)
Season	Andhra Pradesh		Karnataka		Total	
	Crop size	Crop marketed	Crop size	Crop marketed	Crop size	Crop marketed
2005-06	129.12	145.36	76.56	82.91	205.68	228.27
2006-07	150.00	171.95	84.00	96.98	234.00	268.93
2007-08	158.00	165.33	95.00	87.65	253.00	252.98
2008-09	170.00	203.94	100.00	114.00	270.00	317.94
2009-10	170.00	207.58	100.00	115.67	270.00	323.25
2010-11	170.00	173.25	101.62	127.85	271.62	301.10
2011-12	162.00	64.05*	101.62	104.29	263.62	168.34

Source: Tobacco Board \*Till May 21 at AP auctions

Hyderabad, May 30:

The Tobacco Board is likely to go in for further cut in crop size in Andhra Pradesh next year.

Last year, it reduced the crop size by 5 per cent in Andhra Pradesh and 3 per cent in Karnataka. The board sees a definite, though small shift to other alternative crops.

The board regulates and monitors the crop size (of FCV tobacco). It fixes crop size at the beginning of each season after considering the appeal from the tobacco industry on the quantity they would require.

“We are looking at a reduction of 5 per cent or 10 per cent in Andhra Pradesh. The Board would, however, take a call on this later,” Mr G. Kamalavardhana Rao, Chairman of Tobacco Board, said.

About 4,000 farmers in Krishna district have chosen to cultivate maize, cotton and Bengal gram as an alternative to tobacco.

There are 1.28 lakh tobacco farmers in the Board regulated areas. Regarding rehabilitation package for those who want to shift, he said that the Government was examining a project report.

Crop size

Addressing a press conference here on Wednesday, he said the total crop size was pruned to 263 million kg for 2011-12 against 270 mkg in the preceding three years.

Though the size was fixed about 270 mkg in those three years, the actual crop marketed averaged about 315 mkg for the period.

Last year, the quantity that was marketed dwindled to 168 mkg due to glut in the international markets.

The board, however, anticipates more appetite from the market, resulting in higher production.

“We are planning to reduce the crop size zone-wise.

ITC gave us in writing that it doesn't want tobacco grown in black soils of Krishna district and some other coastal areas,” he said.

## Global coffee consumption rises to 137.9 m bags



New Delhi, May 30:

Global coffee consumption rose by 1.7 per cent to an estimated 137.9 million bags in the 2011 calendar year, International Coffee Organisation (ICO) said.

Worldwide consumption of the brew stood at 135.6 million bags (of 60 kg each) in the 2010 calendar year.

“The total for calendar year 2011 is provisionally estimated at 137.9 million bags, an increase of 1.7 per cent in relation to the previous year,” ICO said in its report.

Global demand continues to show signs of buoyancy on the back of increased domestic consumption both in exporting countries and in emerging markets, it added.

However, there has been a decline in consumption in some countries, ICO said.

“...data for some important markets show significant decreases. This is the case in some traditional markets in southern Europe, such as Spain (—2.6 per cent) and Italy (—1.8 per cent), which have been affected by combination of higher retail prices and macroeconomic turbulence,” it added.

Substantial falls have also been recorded in a number of emerging markets, such as Korea (—17.1 per cent), Algeria (—11.5 per cent) and Ukraine (—10.8 per cent), showing their sensitivity to high prices, ICO pointed out.

According to market analysts, the rise in consumption globally can be judged with the considerable increase in the export volumes and earnings from coffee.

The value of total exports in calendar year 2011 is forecast at \$23.5 billion for a total volume of 102.4 million bags of 60 kg each against \$16.7 billion for a volume of 96.8 million bags in 2010, according to ICO data.

According to Coffee Board of India, the total global annual trade is valued at around \$120 billion.