THE HINDU

In Tiruvallur, pulse farming takes root

Digging deep:Farmers of five blocks in the district have brought more land under rice fallow-crop cultivation in a bid to increase production—Photo: B. Jothi Ramalingam

CHENNAI, April 1, 2014 - For the past two months, farmers of five blocks in Tiruvallur have been working hard to double the output of pulses in the district.

The farmers of Minjur, Cholavaram, Gummidipoondi, Ellapuram and Tiruvallur blocks have brought more land under rice fallow-crop cultivation. In this method, seeds of pulses, including green gram, are sown a few days before the paddy harvest and the seeds germinate due to the little moisture that is retained in the soil.

A total of 12,303 hectares of land are under pulse cultivation in the district, of which 6,500 are under rice fallow-crop cultivation, an increase of 2,000 hectares from last year. The farmers have set themselves a target of 1.20 lakh tonnes of pulses as against 70,000 tonnes last year.

According to an agricultural officer, rice fallow-crop cultivation would help double production. The farmers take care to leave about three-fourths of a foot of paddy stubble so that the saplings of the pulses are not harmed. This is an 80-day crop; during the period, farmers spray the plants with DAP twice.

According to officials in the agricultural department, these villages, which are known for paddy cultivation, are also taking up pulses due to government intervention. “Pulses do not need much care and there is no need to plough the fields in this method. We provide them five kg of free DAP per acre,” said an agricultural officer.

The department has been encouraging more farmers to take to this intermediate crop as it does not require much water and the spraying of DAP will also help increase the yield, the official explained, adding that the production was expected to go up from the usual 500-600 kilos per hectare to one tonne per hectare.

Tobacco farmers looking forward to high yield

A farmer attending to a tobacco field near Sathyamangalam in Erode.- Photo: M. Govarthan

ERODE, April 1, 2014 - Tobacco cultivators in Sathyamangalam and Gobichettipalayam areas are looking forward to a high yield this year, as the crops look robust.

The State Government neither encourages nor discourages cultivation of the crop estimated to be raised in about 3,000 hectares in Erode district, but there is no subsidy offered for tobacco unlike other crops.
Though labour intensive, tobacco, a crop with continual brisk demand, grows on soils with low fertility, and requires less water compared to other crops. Also, it is economical and the cost of cultivation is much lesser than other crops, according to farmers. It can be dried and stored for years, and enjoys price stability, they say.
The per-acre yield is high, and hence, the farmers do not expect any government subsidy.
The crop could be grown in a 90-day duration.
There is no loss in the crop as the final product is the leaf that is dried and sold by the cultivators to agents in Puliampatti and Gobichettipalayam.
The agents, in turn, transport the produce to Northern States.

Farmers suggest changes in DCCB functioning

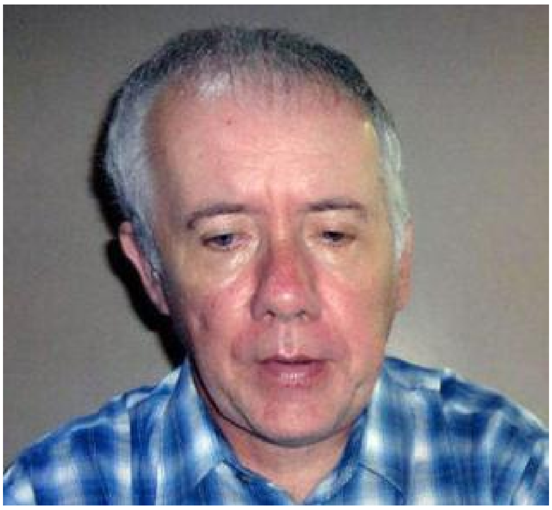
SANGAREDDY, April 1, 2014 - After having so many decades of emotional bondage with the District Cooperative Central Bank (DCCB), farmers are suggesting for better changes in the functioning style of the bank.
A recent introduction of ‘drop box for suggestions’ system by the bank has made it possible for the officials to know what the changes farmers want. The suggestions made by them included simplification of loaning process, offering higher value on the long term loans, displaying the required documents at bank offices and reducing the commendable area for economic appraisal.
In the present form, farmers have to fill about 12 pages of application form and have to get signatures of concerned Revenue official at village level at a number of places in the form.
After considering the requests from farmers, the bank has decided change the present format of applications and to reduce the number of pages that need to be filled by farmers.
They are to be reduced to four shortly.
Similarly, individual credit limit of farmer comes into force in the next few months. This makes the loan process much easier for them, according to sources in the DCCB.
The bank is also expanding its activities so that it would be a win-win situation for farmers as well as bank. As part of it, primary agriculture societies are being converted in multi-service centres which offer financial services, technical and marketing and storage facilities. The DCCB has also encouraged 19 primary agricultural cooperative societies (PACS) to enter into paddy procurement during 2012-13 financial year and the result was extremely good. “They were able to get a commission of Rs. 24.58 lakh by procuring 73,000 quintals of paddy at a cost of Rs. 9.83 crore,” said a senior officer in the DCCB.
The bank has also been expecting good recovery of short term loans to the tune of 90 per cent as the experience in the past five years is satisfactory.

Cottonfab-2014

‘Cottonfab-2014’ is on at Padmavathi Ammal Cultural Centre on Avinashi Road, Coimbatore, from 10.30 a.m. to 9 p.m.

Ornithologist suggests measures to preserve biodiversity in Pulicat

Says Pulicat is among the larger wetlands in the world



Odd W. Jacobsen

Odd W. Jacobsen, an eminent ornithologist from Norway, has emphasised the need for taking up immediate measures to preserve the rich biodiversity around Pulicat lake.
Stating that the lake is ecologically important, Mr. Jacobsen asserted that by comparison, Pulicat is among the larger wetlands in the world that are home to a variety of fauna. He has been visiting the lake every year since 1998 to study the ecosystem in the surroundings.
The Norwegian ornithologist recently visited the lake area, accompanied by the Pulicat Lake Bird Lovers Society office bearers S. Gopinath Reddy, K. Venkatesh and G. Raghavendra.
Recounting his attachment with the brackish water body, Mr. Jacobsen said that he never ceased to be mesmerised by the biodiversity of Pulicat and suggested various measures for its conservation. He said that there was huge potential for bird migration regardless of the fact that some changes are being noticed in the bird count each year. He wanted the mouths of lake inlets to be widened in addition to several other steps for removing encroachments, de-silting and for imposing strict regulations on eco-sensitive zones around the lake. Mr. Jacobsen underlined the fact that Pulicat conservation would remain important as it serves as a feeding ground for important bird areas like Nelapattu, Vedurupattu and Kudiri tank and such other smaller water bodies. The lake is also useful for a lot of villages where nearly 50,000 people are directly dependent on it for their day-to-day living.
The PLBLS team explained to him about the steps they are taking for environmental education and conservation activities they are taking up through online and social media.
Mr. Gopinath Reddy explained that the proposed Dugarajapatnam port would destroy the entire ecosystem in and around the lake.
He condemned the proposed reduction of the eco-sensitive zone to facilitate the process of port construction.

Cotton yarn exports slow down

COIMBATORE, April 1, 2014 - For the textile mills in the region, cotton yarn exports have slowed down in February – March because of drop in demand.
Industry sources say that on an average 120 million kg of cotton yarn was exported a month from the country for 10 months from April last year. Textile mills say that it reduced in February and March.
China had increased purchase in December and January and slowed down in February.
Exporters are also facing a drop in price. Further, value of rupee against the dollar is strengthening and that of the Chinese currency is weakening.
The country is looking at export of 1,400 million kg of cotton yarn this year and it had exported 1,200 million kg in the first 10 months of the fiscal.

The industry had done well during the first 10 months of the year. Though the demand has not fallen sharply, it has slowed down in February and March.
It might revive in April or after the elections.
Cotton prices are around Rs. 42,000 a candy and textile mills that are buying cotton at this price, are finding the yarn rates unviable.
Domestic markets
Demand in the international and domestic markets continues to be good for garment and home textile industry and this is expected to boost the demand for yarn in the coming months. Yarn prices are expected to start moving up. There is a demand at lower prices now, the sources say.

- ***It reduced in February and March***
- ***Exporters are also facing a drop in price***

Water level

The water level in the Mettur dam stood at 48.34 feet on Monday, against its full reservoir level of 120 feet. The inflow was 885 cusecs and the discharge 2,000 cusecs.

Water level in the Papanasam dam on Monday stood at 46.50 feet (permissible level is 143 feet). The dam had an inflow of 2.43 cusecs and 200 cusecs of water was discharged from the dam. The level of Manimuthar dam stood at 71.20 feet (118 feet). The dam had an inflow of 24 cusecs and 100 cusecs of water was discharged.

Kanyakumari - The level in Pechipparai dam stood at 9.95 feet, 36.95 feet in Perunchani, 2.95 feet in Chittar I, 3.05 feet in Chittar II, 2.50 feet in Poigai and 41.91 feet in Mambazathuraiyaru.

Survey finds rare species of butterflies in sanctuary

Baby Five-ring, Coorg Forest Hopper and Bright Babul Blue, the rare butterfly species found in Idukki Wildlife Sanctuary.– Photos: By Special Arrangement

KATTAPPANA, April 1, 2014 - A survey conducted by the Department of Forests and Wildlife has found rare species of butterflies in Idukki Wildlife Sanctuary. The presence of Baby Five-ring, Bright Babul Blue, Blue Oakleaf, Cornelian and Coorg Forest Hopper is mainly because of the natural ecosystem in areas close to the Idukki lake. “It’s a very positive sign,” said Dr. Unni Krishnan Pulikkal of Butterfly Art Foundation of India, who led the survey. Most of the rare species were found in the virgin shola forest areas of the sanctuary near the Idukki dam.

Ecosystems

A major finding was that there were different ecosystems congenial to the growth of these species, Dr. Krishnan said.

Baby Five-ring (Ypthima tabella) is one of the rarest butterflies found in Kerala. “It has been found only in Kerala, Tamil Nadu and Myanmar, that too very rarely,” Dr. Krishnan said.

The presence of Bright Babul Blue (Azanus ubaldus) in Idukki is rather surprising because this is the first time the species are found from the western slope of the Western Ghats, far away from the dry eastern slope that is its natural home.

Cornelian (Deudorix epijarbas), Southern Blue Oakleaf (Kallima horsfieldi) and Coorg Forest Hopper (Arnetta mercara) have been found sporadically from other parts of the State.

A survey of invertebrates carried out by the Zoological Survey of India last week had found the presence of Malabar Flash (Rapala lankana) and Golden Tree-flitter (Quedara basiflava).

The total number of butterflies spotted in the sanctuary is now 148.

The survey was done by Dr.Unni Krishnan Pulikkal and Arun T.P. of the Butterfly Art Foundation with the operational support of K.Saji, Wildlife Warden and G.Jayachandran, Assistant Wildlife Warden, of the sanctuary.

The survey was conducted during the third week of March. Dr. Krishnan said the survey underlined the need for protecting such fragile ecosystems.

There are different ecosystems congenial to growth of these species.

Sugarcane ryots switching to other crops

Cultivated area has been reduced by 5,000 hectares this year, says official

Tractors carrying sugarcane lined up at the Samalkot sugar factory.

KAKINADA, April 1, 2014 - The widening gap between input costs and returns on sugarcane crop has forced farmers to switch over to other crops in East Godavari district.

In the last three years, the extent of sugarcane cultivated area has been reduced by 5,000 hectares. The downtrend is still continuing as the farmers are not evincing interest in cultivating sugarcane that needs huge investment.

Of the two sugar factories in the district, the one at Chelluru has completed sugarcane crushing for the year after purchasing 3.24 lakh tonnes of yield from the farmers. Crushing is still going on at Samalkot, where the officials have estimated that the total yield would cross 4 lakh tonnes. “Sugarcane has been cultivated in 17,000 hectares in 2011-12 and the same is registered as 16,000 hectares in 2012-13.

‘Common trend’

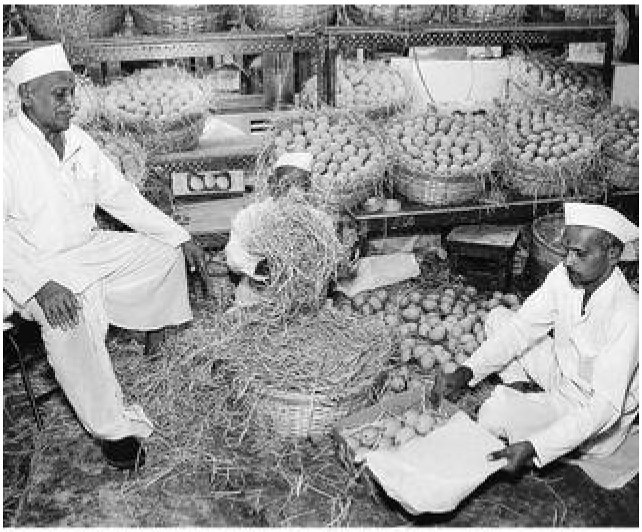
In the current year, the extent has been reduced to 12,000 hectares and there is every possibility of further drop in the extent for the next year,” observes V. Venkata Rao, Assistant Commissioner (sugarcane). He, however, says that fluctuations are very common in commercial crops like sugarcane.

The farmers have different issues to highlight. Steep increase in labour cost, which they are attributing to the Mahatma Gandhi National Rural Employment Guarantee Act, rise in the cost of fertilizer and transportation are the issues that are bothering the farmers continuously. “There is always a gap between input costs and expenses. Three years ago, we sought a price of Rs. 2,500 per tonne and got only Rs. 2,000. Now, the price per tonne is Rs. 2,500 but the input costs are about Rs. 3,000 per tonne,” says Muppana Surya Prakash, president of the Samalkot Sugarcane Growers Association.

“There is a sudden increase in the labour and transportation costs. Unless the employment guarantee scheme is extended to the sugarcane crop, it is going to be tough for the farmers to opt for this crop,” he observes.

Steep increase in cost of labour, fertilizer and transportation are seen as the reason for this migration

Poor harvest and EU ban on Indian mangoes worry farmers



Traders pack mangoes at Mumbai's Crawford Market.— Photo: Vivek Bendre

The season of the king of fruits — Alphonso mangoes — has finally arrived, but not with a bang. This year, varying weather conditions have led to a loss of at least 60 per cent crop, say farmers. But the customers may not feel the pinch till the end of May, as the peak season is to begin only next month.

“I expect the prices to come down next month,” said 55-year-old Anubhash Sikandar at the city's Crawford market. Right now, one dozen mangoes cost between Rs. 600 to Rs. 1,200 in the retail market.

Alphonso mangoes start arriving in the market as early as in November. “At that time, the prices are very high. We sell a dozen mangoes for nearly Rs 8,000. There are buyers who don’t mind paying that much. But the mangoes that arrive so early are not of very high quality. They are produced by using lot of fertilizers,” said Ashok Kokane, a vendor.

By January, the supply starts trickling in. “The fruit is still quite expensive in January, as it is not peak season. The price for a dozen is around Rs. 4,000 then,” said 79-year-old Baban Dagdu Gundal, who has been in the business since 1967. This year, the peak season for the fruit will last only for a month, causing distress among the farmers. The ban on Indian mangoes by the European Union (EU) will further decrease their revenues, they say.

No sustained flow - “Generally, fruits ripen at different times in different parts of coastal Maharashtra. For example, the Rajawadi mangoes may hit the market in March, Devgad mangoes ripen by April. Thus the market gets a sustained flow, and the farmers get a good price. But this year, whatever little crop we got will all hit the market between 10 April and 30 May. It will affect the cost, hitting the farmers hard,” Vivek Bhide, a mango-grower from Ratnagiri and office bearer of a mango-growers’ co-operative society, told *The Hindu* .

Considering only 10 per cent of the Alphonso mangoes from the State are sent to the

European market, experts say the availability of fruits will not be affected. “The ban will hit the exporters the highest,” said Sanjay Pansare, director of Mumbai Agriculture Produce Committee. Mr. Bhide explains that although very small quantity is exported, it is this export which decides the price-band of mangoes in the domestic market. “When the best fruit is sold at a high cost in the European market, the second-best mango fetches a comparable price in the domestic market,” he says. Farmers and traders rued the large-scale destruction of crop due to poor weather. “There was clouding in January. Then, due to unseasonal cold, pollination did not take place. Drastic climate changes have led to the loss of around 70 per cent crop,” Mr. Bhide said. Moreover, crops were also attacked by pests. “Whatever remains is not of the best quality,” Mr. Pansare said. Mr Bhide said, generally, the turnover of Alphonso mangoes in the coastal belt is around Rs. 2,500 crore. “This year, it might be hardly Rs. 1,500 crore,” he said.

Cancellation of grievance meetings upsets farmers

SALEM/ NAMAKKAL, March 31, 2014 - Farmers of Salem and Namakkal districts are deeply upset over cancellation of the monthly grievance meeting for cultivators, after the announcement of the date for the Lok Sabha election.
By the end of March, agriculturists have missed the first of the two monthly meetings which will not be conducted as long as the election Model Code of Conduct is in force. “The next grievance meeting for farmers will be conducted only in the last week of May. We are left with no guidance for 90 days, at a time when drought has affected us badly for the second year in succession,” State President of the United Farmers Association C. Vaiyapuri said. He added that farmers need guidance from officials. Representatives of farmer’s bodies have made an appeal to the Election Commission to allow conduct of drought meetings.

hindustantimes

Weather

Chennai - INDIA

Today's Weather

Sunny

Tuesday, Apr 1
Max Min
34° | 25°

Rain: 0
Humidity: 66
Wind: normal

Sunrise: 06:05
Sunset: 06:20
Barometer: 1009

Tomorrow's Forecast

Partly Cloudy

Wednesday, Apr 2
Max Min
37° | 23°

Extended Forecast for a week

Thursday **Apr 3**	Friday **Apr 4**	Saturday **Apr 5**	Sunday **Apr 6**	Monday **Apr 7**
36° | 24°	30° | 25°	29° | 25°	30° | 25°	30° | 25°
Partly Cloudy	Overcast	Cloudy	Overcast	Overcast

THE TIMES OF INDIA

IT professionals extend help to region's farmers

AURANGABAD: Apulkee - an NGO formed by IT professionals, launched 'Mazi Sanvedana Maza Shetkari' campaign on the occasion of Gudi Padwa with an aim to raise funds to help farmers affected by unseasonal rain and hailstorm in Marathwada and Vidarbha.

On Sunday a team comprising three members visited Devgaon in Marathwada region. Group member Abhijeet Falke said, "Apulkee is planning to raise funds for five hailstorm-hit villages in Vidarbha and Marathwada. Our target is to raise Rs 22.50 lakh."

"Our objective is to help farmers in all possible manner. During our visit to Devgaon, we discussed issues with farmers of Jay Jawan Jay Kisan group. We created awareness on use of technology in farming which would not only help them overcome labour scarcity but also know about weather forecast through cellphones. We also created awareness on the use of internet and gave tips on the importance of marketing and processing. Apulkee is the first NGO to exhibit farmers' processed products abroad," said member Vipul Deshmukh. "Earlier, we visited two hail-affected villages in Vidarbha," he added.

"We believe India can grow only when agriculture grows with farmers," said member Sachin Musale. The others said, "After analyzing the farmers' problems, we understood that labour is the major issue. So we came up with an 'Agriculture Tool Bank' on no profit and no loss basis. We have set our first tool bank at Arvi, in Wardha district."

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THE HINDU Business Line

Fiscal year-end keeps rubber traders away

Kottayam, March 31: Spot rubber prices were unchanged on Monday. The market was almost inactive as most traders preferred to stay away in view of the current financial year coming to an end.

According to sources, the market remained under pressure following another weak closing in domestic futures. Sheet rubber finished flat at Rs. 149.50 a kg, according to traders.

The grade was quoted steady at Rs. 149 and Rs.146respectively, by the Rubber Board and dealers.

April futures weakened to Rs. 146.50 (Rs. 147.83) May to Rs. 150.75 (Rs. 151.82), June to Rs. 153.81 (Rs. 154.59) and July to Rs. 155.75 (Rs. 156.25) while the August and September futures remained inactive on the National Multi Commodity Exchange.

RSS 3 (spot) firmed up to Rs. 140.10 (Rs. 139.41) at Bangkok. April futures closed at ¥250.8 (Rs. 145.77) on the Tokyo Commodity Exchange.

Spot rubber rates (Rs. /kg) were: RSS-4: 149.50 (149.50); RSS-5: 145.50 (145.50); Ungraded: 142 (142); ISNR 20: 142 (142) and Latex 60%: 111 (111).

NCDEX launches futures in bajra

World’s first, it will help price discovery

Mumbai, March 31: NCDEX has launched the world’s first bajra futures contract targeting the country’s farmers who contribute close to half of the global supply. Also known as Pearl Millet, it is cultivated in Rajasthan, Uttar Pradesh, Haryana and Gujarat.

Innovative products

“NCDEX prices are an established benchmark for foodgrains in the Indian market. The bajra contract is part of our effort to offer innovative products designed to meet the needs of farmers and businessmen so that they benefit from efficient price discovery and risk management,” said Samir Shah, Managing Director and Chief Executive Officer, Ncdex.

NCDEX has ensured ample availability of accredited warehouses at the major trading centres in Delhi, Rajasthan and Uttar Pradesh to ensure the smooth delivery and better integration with the value chain. Bajra is used mainly for animal feed and production of alcohol. Its high fibre content is making it increasingly popular as a health food.

The contract will be available for trading from April 1 with contracts for May, June and July delivery.

Kanan Devan gets RA certification

Kochi, March 31: Kanan Devan Hills Plantations Co (Pvt) Ltd has received the Rainforest Alliance (RA) certification, the global recognition for following and maintaining sustainable agriculture practices. The recognition assumes significance at a time when the world is increasingly embracing sustainable agricultural practices.

Chacko P Thomas, Managing Director, KHDP, said in a statement that the company's Ripple brand of teas would soon carry the RA-certified seal of the green frog on the packaging, making it one of the few retail brands in the country to sport the seal.

Becoming a RA-certified company has further solidified KDHP's objective of facilitating production in a sustainable and equitable manner while maintaining its responsibility towards the nature, Thomas said.

Enquiries drive Pusa-1121 prices up

Karnal, March 31: Trade enquiries pushed up prices of full grain and brokens of Pusa 1121 varieties by Rs. 100-300 a quintal on Monday, while other aromatic and non-basmati prices continued to rule flat. In the physical market, Pusa-1121 (steam) moved up by Rs. 200 and was sold at Rs. 9,100-9,200 a quintal, while Pusa-1121 (sela) improved Rs. 300 and to be quoted at Rs. 8,150 a quintal. Pure Basmati (raw) was quoted at Rs. 12,200 a quintal. Duplicate basmati (steam) was sold at Rs. 7,000. Pusa-1121 brokens improved by Rs. 100-150. Pusa-1121 (second wand) was sold at Rs. 7,200 and Tibar at Rs. 6,250, and Dubar at Rs. 5,200.Our Correspondent

Prospects turn sluggish for soya oil

Indore, March 31: PROSPECTS SLUGGISH FOR SOYA OIL

Soyabean prices in the Indore mandis ruled stable at Rs. 4,050- 4,200 a quintal amid limited arrivals and weak global cues. Compared with last week, soyabean is ruling higher by Rs. 150. In the futures market, soyabean traded lower on weak global cues, with April and May contracts on the NCDEX closing at Rs. 4,305 and Rs. 4,260 a quintal. Given the weak global cues and pressure of arrival of new mustard crop in mandis next month, prospects looks bleak for soya oil, Mahesh Purohit, a local oil manufacturer, told *Business Line.* Soya oil ruled firm on subdued demand with soya refined prices on Monday quoted at Rs. 670-75 for 10 kg (down Rs. 5 from last week), while soya solvent ruled at Rs. 625-30 on subdued demand and weak global cues.Our Correspondent

Why rubber prices have plunged

The hypothesis of cheaper imports leading to fall in prices is unconvincing

Rising imports & domestic prices

Year	Imports#	Average price RSS-4(Rs./kg)*
2003-04	44,198	50.40
2004-05	72,837	55.71
2005-06	45,288	66.99
2006-07	89,799	92.04
2007-08	86,393	90.85
2008-09	77,762	101.12
2009-10	1,77,130	114.98
2010-11	1,90,674	190.03
2011-12	2,14,432	208.05
2012-13	2,62,753	176.82

In tonnes; * annual average

Source: DGCIS, Rubber Board

The recent fall in natural rubber prices has attracted wide attention of the media and hectic parleys between the stakeholders and the concerned authorities. The monthly average price of RSS-4 grade (the most popular form of rubber processed in the country) fell from a peak of Rs. 238.68 /kg in April 2011 to Rs. 152.69 in January.

Volume of imports

In popular parlance, the role of steady increase in rubber imports has been considered pivotal in prompting the downtrend in prices. In fact, the volume of imports has registered a three-fold increase from 77,762 tonnes in 2008-09 to 2,62,753 tonnes in 2012-13. In the current financial year, the volume of imports is fast approaching the three-lakh-tonne-mark. In this process, the import intensity of the domestic rubber consumption has reached an unprecedented level of 27.01 per cent in 2012-13. Hence, it is logical to link the fall in prices to the surge in imports and the need for explicit policy measures to replenish market sentiments.

However, trends in the volume of imports and domestic prices during the last decade are not only a negation of the perceived inverse relationship between the two variables but also revealed a positive correlation(r=0.91). The table provides details.

The hypothesis of cheaper imports leading to fall in prices is unconvincing and masks the underlying factors from the purview of any systematic analysis. This obsession conveniently overlooks two recent trends — the channel and cost of imported rubber. Since 2010-11, there has been a steady increase in imports through the duty paid route, with the share of rubber imports through the duty paid channel rising from 7.01 per cent in 2004-05 to 47.33 per cent in 2012-13. Therefore, it is plausible to presume that the growth in imports through duty paid channel has been either due to comparative cost advantages or supply side rigidities.

Tyre sector

Interestingly, the annual average cost of the major form of imported rubber (TSR-20 grade) through duty paid route was higher than the annual average domestic prices of comparable grades in India during 2011-12 and 2012-13. The tyre sector accounted for over 97 per cent of the imports through duty paid route.

Technically, the extent of burden of higher unit value of imports on the tyre sector depends on its capability to shift the same in the form of higher product prices to consumers. In this context, the observations on the pricing policy of the tyre sector contained in the Report of the Competition Commission of India (2012) deserve attention. On the other side, the annual growth rate in tyre imports was 38.68 per cent compared with 18.37 per cent in exports during the last one decade. In sum, chances of higher volumes of imports through duty paid route with higher costs loom large in the backdrop of the expansion of the domestic tyre market.

Apparently, emerging trends are indicative of the supply side rigidities in feeding the growing consumption requirements of the tyre sector.

In this context, two aspects deserve attention — the determinants of domestic price and policy proposals to address the current imbroglio. As said earlier, domestic price movements have been increasingly determined by global market prices since 1992 compared to the domestic supply and demand as well as policies on imports during 1947-91.

The removal of quantitative restrictions on imports since March 31, 2001, has accelerated the market integration process and price determining mechanisms. The most discernible outcome of the process has been the transmission of perennial uncertainty in world market to the domestic market.

Therefore, the basic issue is the potential implications of instability in rubber prices and the policy approaches to address it. The validity of this proposition is underlined by the inherent limitations of the policy measures pursued during 1997-2001 in addressing the fall in domestic prices.

The five policy measures (spelt in the above box) could not achieve the perceived objectives and prices realised by the planting community have been in tune with global price movements rather than the statutory minimum prices.

The explicit inputs from the cumulative outcomes of the five policy measures assume relevance in the current scenario as the proposed initiatives closely resemble the five policy measures. Conceptually, the futility of the measures is closely related to a pre-reforms mindset surrounded by tariff walls and non-tariff barriers. Unfortunately, instabilities in the commodity prices have been an outcome of the growing financialisation of commodity markets since 2002.

Hence, unlike in the pre-reforms phase the domestic price stabilisation measures have serious limitations when financial investors dominate commodity markets. In the changed scenario, a comprehensive crop insurance scheme covering crop and income losses would be a better option.

The author is Joint Director, Rubber Research Institute of India. The views are personal

POLICY MEASURES (1997-2001)

- ***September 1997Buffer stock announcement***
- ***February 1999Rubber imports through advance licence banned***
- ***September 2001Statutory minimum prices for RSS-4 and RSS-5***
- ***December 2001Port restrictions on rubber imports***
- ***December 2001Imposition of quality standards on imports***

Sugar Output in Thailand May Miss Target as Drought Cuts Yields

March 31: THAILAND SUGAR OUTPUT SEEN LOWER

Thailand, the world's second-biggest sugar exporter, may produce less sweetener this year than forecast as dry weather shrinks yields, according to the Thai Sugar Millers Corporation. Output may total 11 million metric tonnes in the year started November 25, less than the 12 million tonnes estimated, said Sirivuthi Siamphakdee, a spokesman for the Millers Croporation, which represents 51 producers. The cane harvest will be 105 million tonnes, less than the 110 million forecast, he said.Bloomberg

Business Standard

NCDEX launches bajra contract

Today, National Commodity & Derivatives Exchange launched announced the launch of Bajra contract, which is the first in the world.

India contributes to half of the global supply of the commodity, which is also known as pearl millet is grown in Rajasthan, Gujarat, Harayana and Uttar Pradesh.

NCDEX has ensured ample availability of accredited warehouses at the major Bajra trading centers in Delhi, Rajasthan and UP in order to ensure smooth delivery and better integration with the value chain.

Jeera up 0.2% on spot demand

Jeera prices rose by 0.25% to Rs 10,090 per quintal in futures trading today as participants built-up positions supported by a rise in demand in the spot market.

However, expectations of higher output restricted the gains.

At the National Commodity and Derivatives Exchange, jeera for delivery in April rose by Rs 25, or 0.25% to Rs 10,090 per quintal with an open interest of 8,184 lots.

Similarly, the spice for delivery in May edged up by Rs 20, or 0.20% to Rs 10,180 per quintal in 5,613 lots.

Analysts said fresh positions created by speculators supported by a rise in demand in the spot market mainly led to rise in jeera prices at futures trade.

Refined soya oil up 0.2% on spot demand

Amid rising spot demand, refined soya oil prices were up by 0.25% to Rs 692.75 per 10 kg in futures trading today as speculators created fresh positions.

At the National Commodity and Derivatives Exchange, refined soya oil for delivery in May edged up by Rs 1.70, or 0.25% to Rs 692.75 per 10 kg with an open interest of 1,12,530 lots.

Similarly, the oil for delivery in April traded higher by Rs 1.05, or 0.15% to Rs 704.40 per 10 kg in 70,920 lots.

Market analysts said the rise in refined soya oil prices at futures trade was mostly in line with rising demand in the spot markets.

Sugar up 0.9% on strong summer season demand

Continuing its rising streak, sugar prices rose by 0.90% to Rs 3,139 per quintal in futures market today as speculators indulged in enlarging positions, driven by summer season demand from bulk consumers amid lower output estimates.

At the National Commodity and Derivatives Exchange, sugar for delivery in April advanced by Rs 28, or 0.90% to Rs 3,139 per quintal with an open interest of 29,370 lots.

Similarly, the sweetener for delivery in May moved up by Rs 22, or 0.70% to Rs 3175 per quintal in 41,170 lots.

Analysts said the persistent rise in sugar prices at futures trade was mostly due to summer season demand from bulk consumers such as ice-cream makers in the spot market.

Chana down 0.7% on increased supply

Chana fell by 0.79% to Rs 3,274 per quintal in futures trading today after speculators trimmed positions following increased supplies from producing regions.

At the National Commodity and Derivative Exchange, chana for delivery in April fell by Rs 26, or 0.79%, to Rs 3,274 per quintal with an open interest of 56,730 lots.

Similarly, the commodity for delivery in May lost Rs 25, or 0.74%, to Rs 3,331 per quintal in 5,60,060 lots.

Analysts attributed the fall in chana prices at futures trade to increased supplies from producing belts against subdued demand in the spot market.

Potato up 0.5% on spot demand

Potato prices rose by 0.56% to Rs 1,285.50 per quintal in futures trade today on the back of a pick-up in demand, driven by beginning of the "Navratras" festival.

At the Multi Commodity Exchange, potato for delivery in May rose by Rs 7.10, or 0.56%, to Rs 1,285.50 per quintal in a business turnover of 85 lots.

Potato for delivery in April also moved up by Rs 2.50, or 0.20%, to Rs 1,234 per quintal in 9 lots.

Analysts said besides pick-up in demand in the spot market supported by beginning of "Navratras" festival, restricted arrivals from producing regions led to rise in potato prices at futures trade.

Cardamom up 2% on upsurge in demand

Cardamom prices rose over 2% to Rs 882.70 per kg in futures trade today after speculators created fresh positions, tracking a firm trend at spot market on upsurge in demand.

At the Multi Commodity Exchange, cardamom for delivery in April shot up by Rs 18.50, or 2.14% to Rs 882.70 per kg in business turnover of 563 lots.

Similarly, the spice for delivery in May gained Rs 16.90, or 1.91% to Rs 902.70 per kg in 308 lots.

Analysts said fresh positions built-up by speculators following upsurge in demand in the spot market against tight supplies from growing region pushed up cardamom prices at futures trade.

Palm oil up 0.6% driven by improvements in demand

Crude palm oil prices moved up by 0.60% to Rs 573.40 per 10 kg in futures trading today as speculators created fresh positions, driven by improvements in demand in the spot market.

At the Multi Commodity Exchange, crude palm oil for delivery in April rose by Rs 3.40, or 0.60%, to Rs 573.40 per 10 kg in business turnover of 138 lots.

In a similar fashion, the oil for delivery in March traded higher by Rs 1.10, or 0.19%, to Rs 570.60 per 10 kg in 11 lots.

Analysts said speculators created fresh positions on the back of a rise in demand in the spot market that helped crude palm oil prices to trade higher at futures trade.

Coriander up 0.8% on pick-up in demand

Coriander prices moved up by 0.83% to Rs 9,240 per quintal in futures market today as speculators enlarged positions due to pick-up in demand in the spot market against limited arrivals from producing belts.

At the National Commodity and Derivative Exchange, coriander for delivery in April moved up by Rs 76, or 0.83%, to Rs 9,240 per quintal with an open interest of 20,280 lots.

Similarly, the spice for delivery in May gained Rs 73, or 0.78%, to Rs 9,401 per quintal in 43,190 lots.

Analysts said the rise in coriander prices at futures trade was mostly due to fresh positions built up by speculators on the back of rising demand in the spot markets.
