

Rs. 352 crore to farmers for replanting horticultural crops

Parts of M.P., Rajasthan hit by rain, hailstorm

NEW DELHI, April 2, 2014 - The Centre will provide an assistance of Rs. 352 crore to farmers for replanting horticulture crops that were hit by untimely rain and hailstorm earlier this month in parts of Maharashtra, Madhya Pradesh, Karnataka and Rajasthan.

The fund release was sanctioned by an Empowered Group of Ministers (EGoM) that met here on Monday. The assistance is part of the ongoing schemes under the National Horticulture Mission. The government has also decided to release Rs. 92 crore from the National Disaster Response Fund to Karnataka for providing relief to farmers whose rabi crop has been hit by rain. This was decided at a meeting of the high-level committee headed by Union Agriculture Minister Sharad Pawar.

The Karnataka government had given a memorandum seeking Central assistance. Finance Minister P. Chidambaram and Home Minister Sushil Kumar Shinde attended both meetings. Last week, the EGoM had cleared a financial assistance of Rs. 1,351 crore to Maharashtra and Madhya Pradesh for damage to horticulture crop and standing rabi crops, including wheat, pulses and oilseeds.

Central teams had visited Maharashtra and Madhya Pradesh for spot assessment of the damage caused by unseasonal rain and hail in the two States.

The Agriculture Ministry had taken the Election Commission's advice on release of funds to the affected States, sources said.

📄 ***Parts of Maharashtra, M.P., Karnataka, Rajasthan hit by rain, hailstorm***

📄 ***Fund release sanctioned by EGoM headed by Pawar***

In Tiruvallur, pulse farming takes root



Villages in Tiruvallur district are taking to cultivating pulses after harvesting paddy. Photo: B. Jothi Ramalingam

CHENNAI, April 2, 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.

Cotton prices expected to remain firm

COIMBATORE, April 2, 2014 - For the textile mills in the State, prices of the main raw material – cotton – is expected to remain firm for a couple of months.

K.N. Viswanathan, vice-president of Indian Cotton Federation, said that though cotton production this year is expected to be higher than the earlier estimates, farmers were holding cotton and mills were also buying only the immediate requirement.

About 80 lakh bales of cotton have been exported and there might not be much pressure from export demand. China is among the major buyers of Indian cotton and China has come out with a new cotton policy and has also reduced the domestic price.

Hence, exports are not expected to go up further.

Though production will be higher this year and exports might not increase, farmers are likely to have a re-look at prices only in June when there will be indications on the monsoon.

If the monsoon indications are good, farmers will bring out more cotton, he said.

The association president J. Thulasidharan has said in a press release that cotton production in the country is expected to be 376 lakh bales (October 2013 to September 2014).

Cotton crop in Andhra Pradesh and Maharashtra is better than expected and hence the association has revised its estimate.

It expects cotton production in Andhra Pradesh to be 73 lakh bales and in Maharashtra to be 80 lakh bales as against the previous estimate of 65 lakh bales and 70 lakh bales respectively.

The association had earlier expected cotton production to be 361 lakh bales.

Farmers up against traders opposing online trading

Copra merchants exploiting and cheating farmers by quoting low prices: KRRS

TUMKUR, April 2, 2014 - While the entire nation is in the grip of the election fever, farmers in Tumkur district are fighting a lone battle against the copra traders, who have been trying to stop the farmer-friendly online trading system at the Tiptur Agricultural Produce Marketing Committee yard.

According to a few farmers, copra merchants are threatening [farmers] that they will close down their shops and launch protests, if the growers continue with online trading system.

According to the Karnataka Rajya Raitha Sangha leaders, some political leaders, including legislator K. Shadakshari, are supporting the merchants and the farmers fear that the merchants might succeed in getting the online trading stopped.

Meanwhile, State secretary of the sangha B.S. Devaraj has urged the State government not to yield to the demand of merchants.

Copra price has increased to a record level of Rs. 9,000 a quintal, thanks mainly to the online trading, which was launched on February 22 this year at Tiptur and Tumkur, in Tumkur district and Arsikere in Hassan district.

Online trading for turmeric has also been launched at Chamarajanagar.

The online trading of copra was introduced at Tiptur to ensure that farmers got remunerative prices for their produce, besides ensuring transparency in trade and quick completion of the transaction.

According to sources, 5,72,716 quintals of copra had arrived at the Tiptur market in 2012 and the arrivals in 2011 was 5,50,750 quintals. As the entry and exit at the APMC gate has been computerised, the number of farmers coming to sell their produce has increased considerably.

Allegations

Mr. Devaraj accused the copra merchants of exploiting and cheating the farmers by quoting very low prices. Merchants were also evading tax for the past several decades, he said.

Malpractices like not taking the signature of farmers on the "Takka patti" (*lekka thiruvalli cheeti*) initially, under-reporting of the arrivals, determining the price jointly by several traders, delaying the payment to farmers and adulteration were rampant in the Tiptur copra market, he alleged.

Merchants were deducting 2 kg from each 50-kg bag of copra by stating that 1 kg was for spoiled produce and 1 kg for the weight of the empty bag, whereas the bag weighs 600 gm. While 1 kg of spoiled copra would fetch Rs. 55 each, the merchants paid only Rs. 10 a kg, Mr. Devadas claimed.

Yogeshwara Swamy, president of the taluk unit of the KRRS, told *The Hindu* that merchants were opposing the online trading system for the fear of losing their hold on farmers to whom they were giving loans at a monthly interest of 2 per cent and therefore, they were forcing the farmers to sell copra to them (merchants).

President of the Tiptur Merchants' Association B.R. Vishwanath said, "We are opposing it only to protect the interests of farmers."

He said the farmers were making false allegations against merchants. They (merchants) had already met the Chief Minister and the district in-charge Minister regarding the issue and would continue to oppose the online trading.

Secretary of the APMC, Tiptur, S.B. Nyamegowda, said the merchants were misleading the farmers about online trading, which was transparent and had put an end to a variety of unauthorised deductions.

A programme had been launched to create an awareness among the farmers about the various advantages of the system, he said.

📌 **Online trading for copra launched on February 22 at Tiptur, Tumkur and Arsikere**

📌 **The objective is to ensure transparency in trade and quick completion of the transaction**

Procurement dips even as demand for milk swells up

MADURAI, April 2, 2014 - The milk procurement by the State-owned Aavin had fallen below 20 lakh litres a day across the State from 23 lakh litres a day, a reliable source in the Aavin said on Monday.

Referring to complaints that non-cardholders of Aavin were unable to procure milk packets through its outlets in many southern districts, the source attributed the situation to the fall in arrivals from the milk producers unions. "Our first priority is to supply milk to cardholders without any interruption," the source said.

The Aavin, which has its units in 17 different locations in the State, procured 23 lakh litres of milk daily. Though the dip was attributed to various factors, the steady fall was more due to

monsoon failure, abnormal rise in temperature, foot-and-mouth disease which hit the animals in many regions, including Madurai, Erode and Dindigul.

Despite the State government's claims that it had given away one lakh milch animals to beneficiaries under the freebies scheme, there was no appreciable rise in the output, an Aavin official in Chennai told *The Hindu* over phone.

A trade union functionary said that the Aavin had achieved an all-time high of 27 lakh litres a day in 1999, when Mohan Varghese Chunkath was the Secretary, holding charge of the Aavin.

Though some of the units of Aavin like Madurai had reported profits, lack of accountability and wrong management practices were seen as the prime reasons for the fall in procurement now in many of its units, and some have already turned red.

Sources said many milk producers in Theni belt sold their produce to private merchants from Kerala, who offered a higher price.

This had given room for private players to capture Aavin's market share without much difficulty. Thus, the Aavin Madurai which had been procuring close to 1.80 lakh litres a day till two months ago, could procure only 1.51 lakh litres a day now, the sources added. If the situation was not changed immediately, the arrivals might fall further.

The State government should procure milk from other sources as done in Karnataka and Gujarat and ensure that milk was available in all its outlets, a trade union functionary said. Already, there was a shortage of drinking water and complaints of unannounced power shutdowns in many districts. The government should prevent milk shortage at once, he urged.

Farmers' protest

TIRUPUR, April 2, 2014 - The dawn- to-dusk shut down call made by the farmers under the command areas of Lower Bhavani Project (LBP) at Naththakadayur town under Kangayam taluk evoked good response on Tuesday.

The agitation was called by the farmers after they were upset over the non-release of water from Bhavani Sagar dam for raising gingelly.

The shops in the town remained closed and the farmers staged a demonstration to highlight their demands.

No response

C. Nallasami, president of Lower Bhavani Farmers Welfare Association, told *The Hindu* the farmers resorted to the agitation only because that the frequent appeals made to the Public Works Department to release the water from Bhavani Sagar dam did not get any response despite the fact that the dam holds adequate water.

Water level

The water level in Mettur dam stood at 48.14 feet on Tuesday against its full level of 120 feet. The inflow was 991 cusecs and the discharge, 3,000 cusecs.

'Global warming may spread drought to third of Earth'



APThe dry bed of the Stevens Creek Reservoir in California. A climate study estimates that 12 per cent of land will be subjected to drought by 2100 through rainfall changes alone.

One third of the world may be at increased risk of drought by 2100 as warmer temperatures wring more moisture from the soil, a new study has warned.

Increasing heat is expected to extend dry conditions to far more farmland and cities by the end of the century than changes in rainfall alone, researchers said.

Much of concern about future drought under global warming has focused on rainfall projections, but higher evaporation rates may also play an important role as warmer temperatures wring more moisture from the soil, even in some places where rainfall is forecasted to increase, they said.

The study is one of the first to use the latest climate simulations to model the effects of both changing rainfall and evaporation rates on future drought.

The study estimates that 12 per cent of land will be subject to drought by 2100 through rainfall changes alone; but the drying will spread to 30 per cent of land if higher evaporation rates from the added energy and humidity in the atmosphere is considered.

An increase in evaporative drying means that even regions expected to get more rain, including important wheat, corn and rice belts in the western US and southeastern China, will be at risk of drought. The study excluded Antarctica.

"We know from basic physics that warmer temperatures will help to dry things out," said the study's lead author, Benjamin Cook, a climate scientist at Columbia University and the NASA Goddard Institute for Space Studies.

In its latest climate report, the International Panel on Climate Change (IPCC) warns that soil moisture is expected to decline globally and that already dry regions will be at greater risk of agricultural drought, researchers said.

Using two drought metric formulations, the study authors analysed projections of both rainfall and evaporative demand from the collection of climate model simulations completed for the IPCC's 2013 climate report.

Both metrics agree that increased evaporative drying will probably tip marginally wet regions at mid-latitudes like the US Great Plains and a swath of southeastern China into aridity.

If precipitation were the only consideration, these great agricultural centres would not be considered at risk of drought, researchers said.

Researchers also said that dry zones in Central America, the Amazon and southern Africa will grow larger. In Europe, the summer aridity of Greece, Turkey, Italy and Spain is expected to extend farther north into continental Europe.

“For agriculture, the moisture balance in the soil is what really matters,” said study coauthor Jason Smerdon.

“If rain increases slightly but temperatures also increase, drought is a potential consequence,” said Smerdon.

The study was published in the journal *Climate Dynamics*.

hindustantimes

Weather

Chennai - INDIA

Today's Weather



Sunny

Wednesday, Apr 2

Max Min

33° | 26°

Rain: 0

Humidity: 70

Wind: normal

Sunrise: 06:04

Sunset: 06:20

Barometer: 1009

Tomorrow's Forecast



Partly Cloudy

Thursday, Apr 3

Max Min

39° | 25°

Extended Forecast for a week

Friday
Apr 4



38° | 25°

Partly Cloudy

Saturday
Apr 5



30° | 25°

Overcast

Sunday
Apr 6



31° | 25°

Overcast

Monday
Apr 7



31° | 25°

Overcast

Tuesday
Apr 8



30° | 25°

Overcast

Festive Spirit Causes Prices of Veggies, Fruits to Skyrocket



With prices of vegetables and fruits skyrocketing, Bangaloreans are experiencing an April shock for their kitchen budget.

Prices of vegetables like cucumber, beans, knool-khol cauliflower, brinjal, green chillies, beetroot and spinach, and fruits like apple (Washington), grapes, musambi and pineapple have gone up sharply.

Horticulture officials give two reasons — one being festivals such as Ugadi, Vishu (Malayali new year) and Tamil new year, all falling close to each other, and the other being the hot summer. Nagini Chandrashekhar, Director, Horticultural Producers' Co-operative Marketing and Processing Society Ltd (HOPCOMS), said, "This is the season for farmers to make money and increase prices." She said during this season, farming does not yield much. The local consumption of some vegetables and fruits causes a short supply, and "the rates naturally go up", she said

Abdulla Kutty, a wholesale fruit merchant at Russell Market, said prices had started increasing from March and this month, they will increase further. The demand for grapes and moosambi is high during this season, and huge stocks are being cleared every day. Recently, D L Maheshwarappa, Director of Horticulture Department, said the hailstorm in early March in Gulbarga, Gadag, Chitradurga and Belgaum had resulted in a huge loss of crops and this will raise prices.

Prices - Then and Now

Vegetables Mar 3 April 1

Cucumber 45 24

Beans 64 44

Cauliflower 39 25

Knol Khol 44 22

Brinjal 20 13

Bitter Gourd 32 22

Bottle Gourd 24 20

Green Chillies 34 24

Palak Rs 24 one Bundle

Palak- Rs 28 one Bundle

Fruits Mar 10 April 1

Apple

(Washington) 216 190

Grapes

(Bangalore Blue) 38 26

Moosambi 49 45

Pineapple 46 38

This is the season for farmers to make money and increase prices

– NAGINI CHANDRASHEKHAR,

Director, HOPCOMS

THE HINDU Business Line

Indian Potash signs 8-lakh-tonne deal with Uralkali

New Delhi, April 1: In the first major fertiliser import contract for the new financial year, Indian Potash Ltd (IPL) has signed a deal with Uralkali to source eight lakh tonnes of potash at \$322 a tonne.

This price is 25 per cent lower than last year's \$427 signed with the erstwhile Belarus Potash Company (BPC), the joint venture marketing arm of Russian potash majors Uralkali and Belaruskali.

The break-up of the Russian potash cartel in July-August last year after disintegration of BPC is seen helping the Indian buyers negotiate a better deal.

"We have been able to negotiate a better price and bring it down further to \$322 a tonne," said PS Gehlaut, Managing Director, IPL. The company had renegotiated the price to \$369 a tonne in the aftermath of the potash cartel break-up last year.

Farmers to benefit

However, a lower pricing is unlikely to benefit Indian farmers. "We expect retail prices of Muriate of Potash (MoP) to remain unchanged at Rs. 16,000 a tonne as rising costs and reduction in subsidy has offset the lower price," Gehlaut said.

Besides higher diesel prices, rise in port tariffs and packaging costs have pushed up costs for fertiliser makers.

Under the nutrient based subsidy (NBS) scheme, the Government recently cut the subsidy rate on potash by 15 per cent to Rs. 15.50/kg of nutrient against last year's Rs. 18.33. For Muriate of Potash, the proposed subsidy payable to fertiliser makers under NBS has been reduced to Rs. 9,300 from last year's Rs. 11,300 a tonne.

Imports

IPL, Gehlaut said, was in negotiations with other potash suppliers such as Belaruskali, Canpotex and Israeli firm DSW and expects to sign contracts in about a week's time for volumes of over 1.2 million tonnes (mt).

"We expect to import over 2.1 million tonnes this year," he said.

Gehlaut sees a 5 to 7 per cent growth in potash imports this year over last year's 3.3 mt. Though Indian companies such as IPL, Zuari Agro Chemicals and Coromandel International had contracted for 3.5 mt of potash last year, the actual quantity that was imported was lower at 3.3 mt on poor offtake.

He expects India's total imports this year to be in the range of 3.6-3.7 mt.

"We hope that the contract will help stimulate potash application rates in India and support the country's agriculture at a time of continued population growth and rising food demand.

We expect that the conclusion of the Indian contract will boost the global potash market growth,” said Oleg Petrov, Uralkali’s director for sales and marketing said in a statement. Zuari expects to import about 7-8 lakh tonnes of potash this year. “We are in talks with all major suppliers and expect to conclude the import deals soon,” said Suresh Krishnan, Managing Director, Zuari Agro Chemicals. He further said correction in global prices has been offset by rising costs and weaker rupee as a result of which the retail prices may remain unchanged.

Amul sales jump 32% to record Rs. 18,150 cr in 2013-2014

Ahmedabad, April 1: Milk cooperative major, Gujarat Co-operative Milk Marketing Federation Ltd (GCMMF), which markets milk products under the Amul brand, has registered a 32 per cent growth in sales turnover for the year 2013-14, a record for the federation in its 40-year history.

The milk body’s sales turnover jumped to Rs. 18,150 crore for the fiscal against Rs. 13,750 crore last year. GCMMF passes on 80-85 per cent of consumer rupee back to milk producers thus encouraging them to produce more.

The projected unduplicated group turnover of member unions of GCMMF crossed Rs. 26,000 crore, up 37 per cent compared with last fiscal, GCMMF said in a statement on Tuesday.

RS Sodhi, MD, GCMMF said: “We have achieved volume sales growth in all product categories. Pouch milk, which contributes around 45 per cent of sales turnover, has shown volume growth in double digit.”

The Federation eyes sales turnover of Rs. 30,000 crore by 2019-20.

GCMMF has exported milk and milk products worth Rs. 525 crore during 2013-14 against Rs. 140 crore during 2012-13.

Amul gets innovation award

Ahmedabad, April 1: The Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets the Amul brand of milk and dairy products, has been conferred with the CNN-IBN “Innovating for a Better Tomorrow” Award.

The award has been given to GCMMF for its innovative contribution to nation-building and its role in creating a socio-economic revolution in rural India. The award was instituted by Network 18, CNN-IBN and CNBC TV18 to honour exemplary innovations that transformed the lives of millions of Indians and also left indelible impressions globally.

RS Sodhi, Managing director, GCMMF, who received the prestigious award in New Delhi, said it was a recognition of the wisdom and efforts of dairy farmers of Gujarat who created the innovative Amul model, enabling India to become the largest milk producing nation in the world.

Fear of drought hitting crop lends flavour to cardamom

Kochi, April 1: Strong demand amid squeeze in supply lifted the individual auction average to a record for 2013-14 fiscal at last Sunday’s auction. Upcountry buyers, fearing supply

squeeze bought actively, while exporters slowed down as prices are at unaffordable levels. As prices shot up, exporters withdrew from the market. They bought an estimated 30 tonnes last week.

At the Sunday auction held by the KCPMC, arrivals were 74 tonnes against 96.7 tonnes the previous week. The entire quantity was sold out. The maximum price was Rs. 1,123 a kg and the minimum Rs. 481 a kg. The auction average shot up to Rs. 803.09, the highest ever during the last fiscal, from Rs. 767 a kg the previous week.

“Decline in availability, severe drought conditions, likely delay and drop in next crop” are factors attributed to the current bullish trend in the market, PC Punnoose, General Manager, CPMC said.

At the Monday auction held by the Cardamom Planters Association at Bodinayakannur, 33.5 tonnes were traded and the average price was Rs. 784.20 a kg, traders said.

Prices of exportable variety have gone above Rs. 800 a kg and that, in turn, has slowed export buying. Bold capsules of 8 mm were traded at Rs. 1,000–1,100 a kg. During the current season that ends in July, arrivals are pegged at 17,561 tonnes against 10,146 tonnes during the same period a year ago.

Sales were 17,084 tonnes against 9,645 tonnes. The weighted average price as on March 30 was Rs. 614.07 a kg against Rs. 752.24 during the same period a year ago.

Prices of all graded varieties (Rs. /kg) at the weekend were : AGEB 970 - 980 ; AGB 810 - 820; AGS 780 - 790 ; and AGS -1: 760 – 770. Bulk prices ranged between Rs. 450 and Rs. 1,100 a kg.

Tea prices drop 8.33%

Coonoor, April 1: Tea prices in domestic auctions have dropped by 8.33 per cent in the first two months compared with the same period a year ago, reveals an analysis of the latest data available with Tea Board and the auction centres.

On an average, every kg sold at auction centres fetched Rs. 10 less.

Prices fell more sharply in south Indian auctions than in North.

In the North, prices averaged Rs. 116.88 a kg compared with Rs. 128.33 in January and February 2013. This reduction of Rs. 11.45 a kg marked a decline of 8.92 per cent. In the South Indian auctions, prices dropped to Rs. 92.34 a kg from Rs. 109.72. This reduction of Rs. 17.38 a kg marked a decline of 15.84 per cent.

Sugar prices soar with global trend

Mumbai, April 1: SUGAR SOARS WITH GLOBAL TREND

Sugar prices jumped sharply by over Rs. 120- Rs. 170 on Tuesday on the Vashi wholesale market on back of a sudden spurt in mill tender prices supported by higher local demand. Producers sold more than two lakh bags at Rs. 70- Rs. 100 higher on Monday late evening, pushing prices over Rs. 80 on domestic futures markets on Tuesday. Naka rates were up by Rs. 120- Rs. 140 for S-grade and Rs. 160- Rs. 170 for M-grade. On Monday evening 22–24 mills offered tenders and sold about 1.80–2 lakh bags at Rs. 2,950-3,030 (Rs. 2,860- Rs. 2,960) for S-grade and Rs. 3,050- Rs. 3,230 (Rs. 3,010- Rs. 3,100) for M-grade. Bombay Sugar Merchants Association's spot rates were: S-grade Rs. 3,130- Rs. 3,262 (Rs. 3,036- Rs. 3,102) and M-grade was Rs. 3,242-3,382 (Rs. 3,125-3,232). Naka delivery rates were: S-grade Rs. 3,100-3,190 (Rs. 2,980-3,050) and M-grade Rs. 3,240-3,350 (Rs. 3,080– Rs. 3,180).OUR BUREAU

Lukewarm trade in rubber

Kottayam, April 1: Physical rubber prices continued to rule unchanged on Tuesday.

Growers are veering round the view that since all efforts of the Government to revive the market have failed, they have no other alternative than stop tapping. Sheet rubber was quoted steady at Rs. 149.50 a kg by traders. The grade closed unchanged at Rs. 149 and Rs. 146 respectively, according to the Rubber Board and dealers. April futures inched up Rs. 146.99 (Rs. 146.77) and May to Rs. 150.99 (Rs. 150.75) while the June futures slid to Rs. 153.45 (Rs. 154.06) and July to Rs. 154.10 (Rs. 154.62) on the National Multi Commodity Exchange. RSS 3 (spot) firmed up marginally to Rs. 140.82 (Rs. 140.10) at Bangkok. April futures closed at ¥249.2 on the Tokyo Commodity Exchange.

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

Business Standard

Coffee exports to dip in FY15 on low output

India's [coffee](#) exports are likely to witness a moderate decline in 2014-15 because of owing to lower crop harvested for 2013-14. Although the country's exports registered a marginal growth of 2.8 per cent in 2013-14 to 313,035 tonnes, exports in 2014-15 are likely to drop below the 300,000-tonne mark in the current financial year.

“Even for 2013-14, we had expected a lower level of exports. However, due to a sudden spurt in prices of Arabica in February and March, the exports picked up in the fourth quarter. As the harvested crop for 2013-14 is far below expectations, exporters will not be able to make big gains in the new fiscal. Also, the prices have seen a downward correction for May and June deliveries,” said Ramesh Rajah, president, Coffee Exporters' Association of India.

Prices of the Arabica variety, which shot up sharply in February and March to a high of 232.75 cents per lb (pound), have now corrected downwards and ruling at 177.90 cents per lb for delivery in May 2014. The rise in prices came after the news that the Brazilian crop would be lower this year due to drought in January and February. However, the prices have corrected following the news that [Brazil](#) received rains subsequently and its crop will not be that bad as was predicted, Rajah said. He added that the price scenario for the current year will be known by June, when Brazil harvests its crop.

For the next quarter ending June 2014, the prices should be in the range of 165-190 cents per lb, he added. “The market is still waiting for more information to come from Brazil on its crop,” he said. Prices are still higher than what was prevailing during the early quarters of 2013-14, but the benefit of high prices in the coming months might not come due to lower surplus available for exports. As a result of the short crop (much lesser than the expected crop) harvested by farmers for 2013-14, the availability of beans for exports will be lower. “In all probability, exports from India will be below the 300,000-tonne mark for 2014-15. Further, appreciation of the rupee will also play its role,” said Rajah.

COFFEE EXPORTS

	2012-13	2013-14
Permits issued (tonnes)	304,251	313,035
Value (\$ mn)	882.57	811.68
Value (₹ crore)	4,638.82	4,769.43
Unit value (₹/tonne)	1,52,466	1,52,360

Source: Coffee Board

Exports registered a marginal growth of 2.88 per cent for 2013-14 to touch 313,035 tonnes, compared to 304,251 tonnes in the previous year. In value terms, exporters earned \$812 million, which was 7.6 per cent lower than the previous year. In 2012-13, the value of [coffee](#)

[exports](#) stood at \$879 million. The decline in value is mainly due to the decline in prices through the last financial year.

However, in rupee terms, the value was almost the same as last year due to the depreciation against the dollar. The value of exports in Indian rupee terms stood at Rs 4,769 crore in FY14 against Rs 4,639 crore, a marginal growth of 2.8 per cent. The unit value realisation was flat at Rs 1,52,360 a tonne against Rs 1,52,466 a tonne in 2012-13, according to the Coffee Board of India.

While the rupee's depreciation helped exporters earn higher revenues during the year, the lower prices in the international markets offset the gain. Over the past year, Arabica prices have slid 23 per cent in 2013 following robust Brazilian production and a recovery in output in neighbouring Colombia, the world's second-largest Arabica grower.

However, in February alone, worries about this year's Brazilian supplies pushed the price of Arabica futures up 44 per cent, the biggest monthly percentage increase in almost two decades. The dry weather afflicting Brazil's main coffee-growing region will lead to a 10 per cent decline in coffee output this year, the country's National Coffee Council said last week.

ICE Arabica coffee futures for May delivery soared 7.3 per cent to \$1.9345 a pound, a two-year high. March coffee jumped 7.1 per cent to \$1.9260 a pound, bringing year-to-date gains to 74 per cent. LIFFE robusta coffee futures for May delivery settled up \$55 at \$2,098 a tonne.

In the fourth quarter, the price realisation improved for Indian exporters by 4.5 per cent to Rs 1,54,245 a tonne from Rs 1,47,581 a tonne in the fourth quarter last year.

India extends ban on export of pulses

India has extended a [ban](#) on [export](#) of [pulses](#) until further orders' to support supplies at home and keep a lid on local prices, a government statement said.

The world's biggest producer and consumer of pulses initially banned exports of the commodity in June 2006. It has been extending the ban since then.

But the ban is not applicable on export of [kabuli chana](#), a premium grade of chickpea, and 10,000 tonnes of organic pulses and lentils a year, said the statement posted on a government website.

The country annually consumes 21 million tonnes (mt) of pulses but produces only 17-18 mt.

The gap is met through imports from Australia, Canada and Myanmar.

Favourable policy support to drift agri commodity exports

April- January period India's agri exports have recorded a steady growth in the last three years due to huge surplus availability on bumper output coupled with supportive government policies to get rid of excessive stocks.

The trend is likely to continue on increased government's focus on promotion of [agriculture](#) commodities. India's [exports](#) of agricultural commodities have almost trebled in the last four years, data compiled by the Directorate General of Commercial Intelligence and Statistics, Ministry of [Commerce](#), showed.

Total exports of agricultural commodities shot up to Rs 174,194.01 crore in the financial year 2012-13, a 192% rise from the level of Rs 59,723.66 crore in the financial year 2009-10. During this four-year period, however, overall exports recorded 93% growth. Thus, the share of agriculture commodities in India's overall exports basked jumped to 10.66% in FY 2012-13 from the level of 7.06% in 2009-10.

"We are committed for agricultural exports growth to continue in future as well with favourable long term policy support," said [Anand Sharma](#), Union Minister of Commerce and Industry on the sidelines of Business Standard award function here on Saturday. During this period, Sharma re-defined the definition of basmati rice by incorporating the new variety Pusa 1121 into this category.

Extreme promotional efforts in major importing countries made Pusa 1121 variety a preferred choice of basmati rice. Also, the union government introduced free [trade](#) agreement (FTA) with a number of agriculture product deficient countries. Most importantly, the government allowed exports of food grains and other agricultural commodities on quota basis with impeccable positive response.

Most recently, India allowed a limited quantity export of pulses to Maldives when shipment to other countries is banned. As per World Trade Organization ([WTO](#)), global export and import of agricultural and food products stands at US\$ 1.66 trillion and US\$ 1.82 trillion respectively of which India's share at 2.07% and 1.24% respectively. India has improved its position in agricultural and food exports to 10th globally.

In recent years, the policy impetus by the government has provided much required stability to agri exports. Given sufficient stocks of food grains in the central pool, the government has allowed exports of wheat. Also, efforts have been taken to promote horticulture exports from India.

"Though these measures are in the right direction, a consistent long-term trade policy with tariff in a narrow band may be required for India to acquire international presence in commodities wherein it has comparative advantage," India's Economic Survey 2012-13 pointed out.

Sharma said that the government is working on a long term policy for sustainable growth in agricultural commodities. India is currently world's largest rice exporter and very close to the largest for wheat exports too.

The country has also attained significant position in horticulture and other agri commodities' exports. To achieve desired growth, however, India needs to change cropping pattern with larger focus on north India.

"The government must take policy reforms to support growth in agricultural commodities. To achieve \$70 billion export target in 2017 will not be too ambitious with possibility of policy implementation to increase productivity and promote diversity of crops and specialized items to meet specific demands abroad," said R S Rawat, Secretary General, the Associated Chambers of Commerce and Industry of India ([Assocham](#)).

For the financial year 2013-14, the government has set an agri exports target of \$45 bn as against \$41 billion achieved in the previous financial year. In the first 10 months of the current financial year, however, India achieved 12.5% growth in the agri exports to 160425.86 crore this year versus Rs 140,954.78 crore in the same period last year.

"The growth momentum in India's agriculture exports is expected to continue in coming few years with increased share of processed food including mango pulp, dried and preserved vegetables, meat and poultry items. Factors like reduced transaction costs, time, better port gate management and fiscal incentives contributed to this upward trend. With continued focus on issues like food safety and compliance with international standards we surely can reach a new height," said Piruz Khambatta, Chairman, CII National Committee on Food Processing & CMD, Rasna.

India's burgeoning exports (Rs crore)			
Financial year	Total exports	Agri exports	Agri share in overall exports (%)
2013-14*	1543793	160425.9	10.39
2012-13*	1324752	140954.8	10.64
2012-13	1634319	174194	10.66
2011-12	1465959	132760.7	9.06
2010-11	1142922	78854.31	6.9
2009-10	845533.6	59723.66	7.06
Source: DGCIS, * April – January period			

India's FY14 coffee exports up 3.6%

The country's [coffee exports](#) rose 3.6% at 3.15 lakh tonnes in 2013-14 on account of a sharp increase in shipments during the fourth quarter buoyed by firm global prices, according to the Coffee Board.

Coffee shipments from India -- the world's fifth biggest exporter -- stood at 3.04 lakh tonnes in the 2012-13 fiscal.

"Overall, the export performance remained good in 2013- 14. There is a marginal increase in overall export volumes as compared to last year," a senior Coffee Board official said.

Exports during the third quarter of the year remained below 20,000 tonnes per month. With firming up of global prices, the shipments again picked up during the fourth quarter, the official added.

Of 3.15 lakh tonnes, export of robustas were 1.56 lakh tonnes, arabica at 62,852 tonnes, instant coffee at 95,084 tonnes in the 2013-14 fiscal, the Coffee Board data showed.

In value terms as well, India's total coffee exports increased slightly to Rs 4,800 crore in 2013-14, as against Rs 4,637 crore in the previous fiscal.

Maximum exports were to Italy, Germany, Belgium, Jordan, Turkey, and Russia during the

review period.

According to experts, global coffee prices rose to the highest level in February, fuelled by fears over falling production in top producer Brazil.

The board has pegged the total output at 3,11,500 tonnes for 2013-14 crop year (October-September), down by 2.1% from 3,18,200 tonnes produced in 2012-13.

Sugar up 1.3% on increased summer season demand

Continuing its rising streak, [sugar](#) gained 1.37% to Rs 3,188 per quintal in futures trading today as speculators enlarging positions, driven by increased summer season demand and lower output estimates.

Increased offtake by ice-cream and softdrink makers also supported the uptrend.

At the [National Commodity and Derivatives Exchange](#), sugar for delivery in April added Rs 43, or 1.37%, to Rs 3,188 per quintal with an open interest of 29,410 lots.

Similarly, the sweetener for delivery in May gained Rs 33, or 1.04%, to Rs 3,201 per quintal in 39,290 lots.

Analysts said continued rise in sugar prices at futures was mostly due to increased summer season demand, particularly from bulk consumers.

Palm oil up 0.4% on rising demand

[Crude palm oil](#) remained up for the second day and prices added 0.43% to Rs 565.40 per 10 kg in futures market today as speculators engaged in enlarging positions, tracking a firm trend at spot market on pick up in demand.

At the [Multi Commodity Exchange](#), crude palm oil for delivery in May gained Rs 2.40, or 0.43%, to Rs 565.40 per 10 kg in business turnover of 25 lots.

Similarly, the oil for delivery in April edged up by Rs 2.30, or 0.40%, to Rs 572.50 per 10 kg in 105 lots.

Analysts said rising demand in the spot markets mainly influenced crude palm oil prices as speculators enlarged positions.

Cardamom up 0.3% on rising demand

[Cardamom](#) extended gains for the second straight day with prices rising by another Rs 3.20 to Rs 906 per kg in futures trading today as speculators enlarged positions, driven by rising demand in the spot market.

At the [Multi Commodity Exchange](#), cardamom for delivery in May rose by Rs 3.20, or 0.35% to Rs 906 per kg in business turnover of 114 lots.

Likewise, the spice for delivery in April traded higher by Rs 2, or 0.21% to Rs 933.80 per kg in 21 lots.

Analysts said speculators enlarged positions on the back of rising demand in the spot market against restricted supplies from producing region mainly kept cardamom prices remain firm at futures trade.

Potato up 0.7% on rising demand

[Potato](#) prices rose further by 0.76% to Rs 1,308 per quintal in futures trading today following rising demand, driven by ongoing "Navratras" festival.

At the [Multi Commodity Exchange](#), potato for delivery in May gained Rs 9.90, or 0.76%, to Rs 1,308 per quintal in business turnover of 119 lots.

Likewise, potato for delivery in April traded higher by Rs 8.10, or 0.65%, to Rs 1253.30 per quintal in 41 lots.

Analysts said persistent rise in potato futures was mostly due to increased demand in the spot markets on the back of ongoing auspicious "Navratras" festival.
