

TNAU advocates steps to control pest attack, plant diseases

COIMBATORE, February 26, 2014 - Tamil Nadu Agricultural University has predicted the pests and diseases that farmers can expect in the days to come and the measures that can be taken to either prevent them or keep them under control.

In Tirunelveli, Tiruchi, Kanyakumari, Pudukottai, Thanjavur, Coimbatore, Ramanathapuram and Salem, sporadic incidence of leaf fodder and stemborer has been noticed.

Farmers are asked to monitor the activity of adult moths by installing light traps.

If needed, they can spray neem seed kernel extract (NSKE) 5 per cent or use any one of the following insecticides if the population exceeds the Economic Threshold Level (ETL).

In Salem, Dharmapuri, Theni, Tirunelveli and Virudunagar districts, sucking pests such as aphids, leafhoppers, and thrips were noticed. Farmers are asked to monitor sucking pests using yellow sticky traps. If needed, they should spray SNKE 5 per cent or Imidacloprid 200 SL at 40 ml an acre.

In Virudhachalam, Cuddalore, Erode and Salem, borer pest complex was noticed below the ETL.

As dry weather in the coming months will be a cause for concern, farmers are advised to release egg parasitoid. *Trichogramma* use from the fourth month at 15 days interval is recommended to manage the pest.

Leafminer incidence was noticed in Madurai, Salem, Dharmapuri, Pudukottai, Tiruchi, Tirunelveli, Coimbatore, Ramanathapuram, and Virudunagar districts. Farmers are asked to monitor leafminer adult, use light trap, and if needed spray NSKE 5 per cent.

Leathel leaf blight disease was noticed in Coimbatore, Erode, Dindigul, Thanjavur, Tirunelveli, Kanyakumari and other districts of Tamil Nadu.

Farmers are asked to take preventive measures.

Remove and burn severely affected leaves to avoid further spread, spray 1 per cent bordeaux mixture for two times at 30 days interval or root feeding of carbendazim.

Application of 200 gm *pseudomonas fluorescence* along with 50 kg of FYM and 5 kg of neem cake/palm a year is recommended.

Tapioca, papaya and mulberry farmers are asked to watch out for incidence of papaya mealy bug.

Farmers are asked to use only papaya mealybug parasitoids.

Tapioca, papaya and mulberry farmers are asked to watch out for incidence of papaya mealy bug

FMD vaccination drive from March 1

KARUR, February 26, 2014 - It is essential that dairy farmers cooperate with officials from the Department of Animal Husbandry in eradicating the foot-and-mouth disease, Collector S.Jayandhi told participants at a special gram sabha meeting held at K. Paramathi panchayat near here on Tuesday. She urged people to avail of the preventive measures, including vaccination of cattle, being undertaken by the State government.

She said that the department was taking up the sixth round of FMD vaccination in the district from March 1 to 21. The Collector also said that special gram sabha meetings were being held in all the 157 village panchayats.

NAGAPATTINAM: The sixth round of Foot and Mouth disease vaccinations will commence here in all villages from March 1 to 21.

The 21 day vaccination campaign, will be taken up in all panchayats. According to an administration release, adequate vaccinations are stored in icebox.

Dates were allocated during the special gram sabha was held here on Tuesday. Livestock owners were advised to bring their adult and young ones at a specified dates for vaccination, the release said.

📌 *Vaccines stored in iceboxes*

📌 *21-day drive at all panchayats*

College, fertile ground for farmers too



PART OF CURRICULUM: The student farm in Arul Anandar College at Karumathur in Madurai district. (Below) Goats being fed at the college.

MADURAI, February 26, 2014 - Students of Arul Anandar College in Karumathur have a chance to harvest agri ideas

The farmers of Chellampatti panchayat union are a well-informed lot, who constantly update themselves on modern farming techniques.

Around 500 farmers of Vaigai Farmers Association (VFA) work in collaboration with Rural Development Science (RDS) Department of Arul Anandar College in Karumathur to learn modern techniques from the college and to teach traditional farming techniques to the students.

The RDS Department of the college, functioning since 1973, has been actively involved in establishing a link between the students and the villagers. The department was upgraded as a research centre in 2001.

“As part of their curriculum, we have students coming and staying in our houses for three to four days and sharing our work in agricultural fields. The students consistently involve themselves in activities such as conducting tuitions for our children, organising awareness camps and technical sessions,” says T.P. Kaniraja, a farmer in Kannanur.

According to M. John Joseph, head of the RDS Department, the students are being taught to sustain the rural knowledge, but at the same time lend a helping hand to farmers in using innovative, profit-yielding technologies.

“We have a centre for policy research, wherein we have documented all records pertaining to Chellampatti panchayat union. We have adopted 16 villages from the panchayat union and are providing periodic training to farmers in animal husbandry, seed production and vocational training for women,” Mr. Joseph explains.

This centre has a kiosk on various crops, government schemes, crop diseases and their management. In a bid to sustain rural knowledge, the students and faculty of the RDS Department have documented hundreds of Tamil proverbs that are in use among the villagers.

M.P. Vellai Mayathevar, an 86-year-old farmer from Kinnimangalam, has contributed mainly to the research. The college has released a 60-page book containing the proverbs documented with explanations.

Knowledge sharing is mutual and the college has learnt farming techniques from farmers as well. The students learnt about plastic mulch farming from agriculturalists in Kannanur and have practised the technique in rose cultivation.

Xavier Vedam, Principal of the college, says social education has been integrated into all subjects. “Irrespective of the course, all second year students have to undergo 90 hours of field work at the villages. They also indulge in activities creating awareness of women and youth empowerment, health and sanitation among the villagers,” he says.

In the past seven years, more than 600 women from the 16 villages surrounding the college have undergone training in farming, tailoring and several vocational courses, he adds.

“Women from various villages in Chellampatti panchayat union benefitted from the masal training course organised by the college. The college has a veterinary clinic with two veterinarians, whom the villages approach anytime. The veterinary camps conducted by the college in the villages are very useful,” says V. R Muthuveyandi, a farmer from Pullaneri village.

The college’s involvement and assistance of National Bank for Agriculture and Rural Development (NABARD) have been beneficial to the farmers in securing bank loans, says Mr. Kaniraja. The college establishes linkage between farmers and banks and in the past two years around 15 farmers have obtained loans for backyard poultry.

Twenty five farmers have started seed manufacturing ventures after undergoing training at the college.

This Idukki farmer gets third time lucky with rabbit rearing



Mangalanandan at his rabbit farm at Kattekanam near Koottar in Idukki district.— Photo: By Special Arrangement

KATTEKANAM (IDUKKI

DISTRICT), February 26, 2014 -

Mangalanandan, a farmer in Idukki, met with failures in the initial years of his career. He failed as a plantain farmer.

Luck eluded him when he took up goat rearing. But third time, he tested an innovative idea and it is now reaping good results. He reared rabbits and produced biogas from the farm

using only their excreta. He uses the biogas for cooking. He also supplies it to two of his neighbours free of cost for their cooking needs. "If you have 20 rabbits, you can make a biogas plant that is enough to meet the requirement of a family," he says.

There are three biogas plants at his farm. The excreta from the farm is treated at two plants in the first stage. The third plant is exclusively for producing gas from the already used slurry in the two plants. "The slurry from the plant can be used again to make biogas as it was found that it contained biofuel. So another plant was set up," he says. He adds that excreta contains high level of effluent for producing biogas than cow dung or waste from pig farms. His farm is a major attraction for visitors now. His brother Madanakumar and nephew Santhoshkumar help him at the farm.

There are 300 parent rabbits and over 1,000 rabbits of various ages in his farm now. "It all started with 20 parent rabbits I got from the Southern Regional Research Centre at Mannavanur under the Indian Council of Agricultural Research," he recalls. He still gets assistance from the experts there.

The main rabbits grown in his farm are Grey Giant, Black Ten and White Giant. "The focus is on rearing the pure breed," he says.

Coconut oil prices hit a record high

KOCHI, February 26, 2014 - Coconut oil prices have hit a record high with the market prices shooting up to Rs.12,200 a quintal in the Ernakulam market. The retail price of the commodity on Tuesday was Rs.135 a kg while branded ones were being sold a little above. The price could go up further, before getting stabilised within the next three-four months, according to market indications.

Scarcity of copra has been cited as the major reason for the rapid rise in the prices. Lower production within the State and outside has led to the present situation.

Production in Karnataka and Tamil Nadu dwindled owing to drought experienced during the past two years, but the scenario would change with the production season beginning June-July, says T.K. Jose, Chairman, Coconut Development Board. There is no considerable shortage of coconuts in Kerala, but some sort of scarcity has occurred due to large-scale buying done by Karnataka-based desiccated coconut processing units. It is bound to change with production reaching higher levels in the neighbouring States by August-September. Coconut is being used in many non-traditional avenues in the food-processing and cosmetics industries. International production too has declined last year, he says.

Cyclic change

The prices of coconut oil had reached Rs.110 a kg two years ago. Thus, it is incorrect to portray the present trend as something extraordinary, Mr. Jose argues. Changes in prices of commodities are cyclic and coconut too is not beyond such a phenomenon, he asserts. The prices of other edible oils too have gone up. Palm oil, which was Rs.46 a litre a few months ago, costs Rs.70 now, he points out.

Lower production

Lower production of coconuts in the central and south Kerala has severely hit the availability of copra in the market, says Thalath Mahamood, director, Coconut Oil Merchants Association. The present crisis is an offshoot of the rock bottom prices that coconuts fetched about two-three years ago. Coconuts were being sold at Rs.3-4 per nut then.

Consequently, many of the disgruntled farmers abandoned coconut farming.

Many farmers are facing a huge task in getting the coconuts plucked from the tall palm tree owing to the non-availability of coconut tree climbers. The 'Friends of Coconut Trees', a novel initiative launched by Coconut Development Board, intended to train youngsters in palm climbing, has met with limited success, but does not offer a permanent solution, according to Mr. Mohammed.

Mr. Jose counters the argument, saying that the trained personnel are serving a number of areas though more need to be inducted. The Board is seeking aid under a skill development programme of the government. Most of the districts have about 1,000 trained personnel whose phone numbers are available on the Board's website.

Adulteration

The rise in the coconut oil prices portends another danger, that of adulteration. Mixing the edible oil with palm kernel oil, paraffin wax and other cheaper material has been the practice adopted by unscrupulous traders in the past. Any swoop on the trade by authorities such as FSSAI could push the prices up further, Mr. Mahamood observes.

Coconut Development Board Chairman says changes in prices of commodities are cyclic.

Paddy farmers in a fix



Combine harvesters of Agriculture Department out of order

High cost: Farmers at Kamrathuchalla in Muthalamada grama panchayat using harvesters brought from Andhra Pradesh.

PALAKKAD, February 26, 2014 - The paddy farmers who started the harvest of the second crop (Makara Koythu) at

Chittur taluk from Sunday are faced with the problem of shortage of manpower and high rent for harvesting machines.

Since the combine harvesters under the Agriculture Department in the district are not in working condition, the farmers have to depend on the machines brought from Tamil Nadu, Karnataka, and Andhra Pradesh through agents at high cost. They have to pay over Rs.2,000 for harvesting one acre of paddy using the machines brought from outside, whereas the Agriculture Department had fixed the charge at Rs.1,500 for its machines.

This has brought great hardship to the farmers who are already facing loss due to high cost of production, shortage of irrigation water and so on, says Muthalathode Mani, general secretary, Desheeya Karshaka Samajam.

According to him, the State government should have provided machines pooled from other parts of the State like Kuttanad to harvest paddy in Palakkad since 'the rice bowl of Kerala' produced more than 50 per cent of the total production of paddy in the State.

The harvesting will continue till April 15 because in second crop, long-duration seeds are used as it will give more yield than the short-duration crop.

In the second crop, the paddy yield is four to five tonne a hectare as against three to four tonnes in the first crop.

Water shortage - But, due to the use of long-duration seeds, the second crop requires irrigation for more days. However, the farmers at Chittur are facing water shortage because the State could not get its due share of 7.25 TMC ft water from the inter-State Parambikulam Aliyar Project (PAP) in the current water year for the Chitturpuzha irrigation scheme.

The farmers have urged Chief Minister Oommen Chandy and Water Resources Minister P.J. Joseph to get in touch with Tamil Nadu Chief Minister Jayalalithaa immediately to get more water released from the PAP to save the standing paddy crop.

Paddy in more than 1,500 acres in the Ayacut areas of the Chitturpuzha irrigation project is getting destroyed for want of water.

Low price - Mr. Mani says that the State government had promised to fix the procurement price of paddy at Rs.20 a kg, but, on Monday, the government fixed it at Rs.19 – an increase of just Re.1 from last year's price of Rs.18.

All these problems might compel the farmers to give up paddy cultivation, affecting the food security of the State, he warns.

However, according to officials of the Agriculture Department, the farmers had a bumper crop in the first crop and the district will maintain its lead on the highest production of paddy in the State this time too.

CM to open farm expo

THRISSUR, February 26, 2014 - Chief Minister Oommen Chandy will inaugurate Agrifesta 2014, an agricultural exhibition and technology meet, here on February 28. Agriculture Minister K.P. Mohanan will preside over the function.

Fisheries Minister K. Babu; P. C. Chacko, P. K. Biju, MPs; Therambil Ramakrishnan, M. P. Vincent, Thomas Unniyadan, C. Raveendranath, P. A. Madhavan, T. N. Prathapan, MLAs; and Mayor Rajan Pallan are expected to take part in the function. There will be about 200 stalls in the exhibition, according to KAU Vice-Chancellor P. Rajendran.

Seminars on mechanisation, family farming, hi-tech agriculture and biotechnology will be held. A technology meet to be held on March 1 will showcase more than 50 technologies developed by KAU. Cultural programmes will begin with a magic show by Gopinath Muthukad. The expo will also have food courts and amusement parks.

The exhibition will conclude on March 6.

Farmers ransack market office

MAHABUBNAGAR, February 26, 2014 - Protesting against the low price quoted for the groundnut, the farmers attacked the office of the Jadcharla market committee on Tuesday. They were upset when the buyers offered Rs. 3,000 and below per a quintal against a MSP of Rs.4,000. Farmers pleaded for Rs.3,500 per quintal and when their request went unheeded they attacked the office and damaged some furniture. -Correspondent

Farmers' grievance redress meeting

KRISHNAGIRI, February 26, 2014 - The farmers' grievance redress day meeting would be held at the District Collectorate on Friday at 11 a.m. Farmers are asked to participate in the programme to be presided over by District Collector T.P. Rajesh.

Agriculture Produce Marketing bill passed

BANGALORE, February 26, 2014 - AGRICULTURAL PRODUCE MARKETING BILL PASSED
The Legislative Assembly on Tuesday passed the Karnataka Agricultural Produce Marketing (Regulation and Development) (Amendment) Bill, 2014, to provide direct sale of farm produce by farmers to consumers for domestic consumption and not for subsequent sale. Minister for Law and Parliamentary Affairs T.B. Jayachandra said the Bill was aimed at avoiding middlemen in the market and establish Raitha Santhes, modelled on the markets set up in Tamil Nadu. — Special Correspondent

A rich repository of agricultural wisdom



A sculpture of a man ploughing a field using two bullocks dominates a hall of the Agriculture Museum opened at the State Agricultural Management and Extension Training Institute at Anayara in the city on Tuesday.— Photo: C. Ratheesh Kumar

THIRUVANANTHAPURAM, February 26, 2014 - From different types of crops to soil types, irrigation methods and farm implements, the Agriculture Museum at

the State Agricultural Management and Extension Training Institute (SAMETI) at Anayara here showcases the rich agricultural traditions of the State. It also helps trace the evolution of the sector over the centuries.

Agriculture Minister K.P. Mohanan inaugurated the museum on Tuesday. It offers a throwback to the environment-friendly method of agriculture practised by traditional communities, including tribespeople. It also employs maps, audio-visual presentations, and an information kiosk to educate visitors.

One section of the museum is devoted to an exhibition of tribal agricultural implements including crude spades, spears, and bamboo measures. "These implements were collected mainly from Wayanad and Kuttanad," says Balachandra Nath, Deputy Director, SAMETI. Different types of yokes and sickles, ploughs, bamboo ladders, baskets of different shapes and sizes, toddy tapping equipment, fish nets, and palm leaf umbrellas have also been displayed.

As many as 25 different varieties of paddy cultivated by farmers in Kerala, some of them rare species used by tribal communities, as well as different spices are among the exhibits. Audio-visual presentations in English and Malayalam take the visitor through the history of agriculture. A massive sculpture of a man ploughing a field using two bullocks visually dominates the museum hall.

"We have tried to accommodate as many elements as possible to convey the evolution of agriculture," says Chandran Pillai, former Deputy Director, Archaeology, who was project consultant for the museum. Mr. Nath said the project was designed to be of interest to students, researchers, and the general public.

Africa to see more GM crops

Africa is expected to be the next target of GM food companies, as European scientists and policymakers travel to Ethiopia to boost the prospect of growing more of the controversial crops on the continent.

Anne Glover, the chief scientific adviser to the European commission, and other prominent pro-GM researchers and policymakers from European countries including Germany, Hungary, Italy and Sweden will this week meet Ethiopian, Kenyan, Ghanaian and Nigerian farm ministers as well as officials from the African Union. The British Environment Secretary, Owen Paterson, who said last year that the U.K. would be acting immorally if it did not make GM crop technologies available to poor countries, pulled out of the conference in Addis Ababa, organised by the European Academies Science Advisory Council (EASAC).

According to an EASAC spokeswoman, the meeting is intended to help EU and African scientists collaborate to allow the crops to be grown more easily on the continent. "EU policy on GM crops is massively important for Africa," she said. "A lot of countries are scared to do any research. They fear they will be punished by EU restrictions. They depend on the EU for their exports." Critics, however, said the meeting was a thinly disguised attempt to promote GM farming at a governmental level, whether or not it was good for local farmers.

"The meeting has the appearance of giving the European stamp of approval on GM crops, even though the majority of EU citizens oppose GM in food," said a spokeswoman for GM Watch, a U.K.-based NGO.

Western push

The talks take place as industry data shows the planting of GM crops has practically halted in the U.S. and as G8 countries, led by the U.S. and Britain, press African states to liberalise their farming as part of the New Alliance for Food Security and Nutrition initiative.

The New Alliance is intended to accelerate African agricultural production, but farmers have widely criticised it as a new form of colonialism.

Olivier De Schutter, the U.N. Special Rapporteur on the right to food, has described Africa as the last frontier for large-scale commercial farming. "There's a struggle for land, for investment, for seed systems, and, first and foremost, there's a struggle for political influence," he said.

According to the International Service for the Acquisition of Agri-biotech Applications (ISAAA), South Africa grows GM food crops, and Burkina Faso and Sudan cotton. Seven other African countries — Cameroon, Egypt, Ghana, Kenya, Malawi, Nigeria and Uganda — have conducted GM field trials. The first drought-tolerant genetically modified maize is expected to be grown on the continent in 2017, it says. The latest figures show that 77 per cent of the world's GM crops are grown in three countries — 40 per cent in the U.S., 23 per cent in Brazil and 14 per cent in Argentina — with plantings in Europe and Africa negligible, and concern growing worldwide about the emergence of herbicide-resistant "superweeds."

— © Guardian Newspapers Limited, 2014

Water level

Mettur -The water level in the Mettur dam stood at 50.01 feet on Tuesday against its full level of 120 feet. The inflow was 882 cusecs and the discharge, 2,097 cusecs.

Water level in the Papanasam dam on Wednesday stood at 53.50 feet (maximum level is 143 feet). The dam had an inflow of 53.47 cusecs and 504.75 cusecs of water is discharged from the dam.

The level of Manimuthar dam stood at 73.15 feet (118 feet). The dam had an inflow of 70 cusecs and 320 cusecs of water is discharged.

Nigerian Minister named ICRISAT ambassador

SANGAREDDY, February 26, 2014 - The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) named Dr. Akimwumi Adesina, Minister of Agriculture and Rural Development of the Federal Republic of Nigeria, as its Ambassador of Goodwill.

The 'Ambassador of Goodwill' plaque of recognition was presented by Dr. William Dar, Director General, ICRISAT, during the launch of the groundnut value chain project in Abuja, Nigeria, on Monday, according to a press release here on Tuesday.

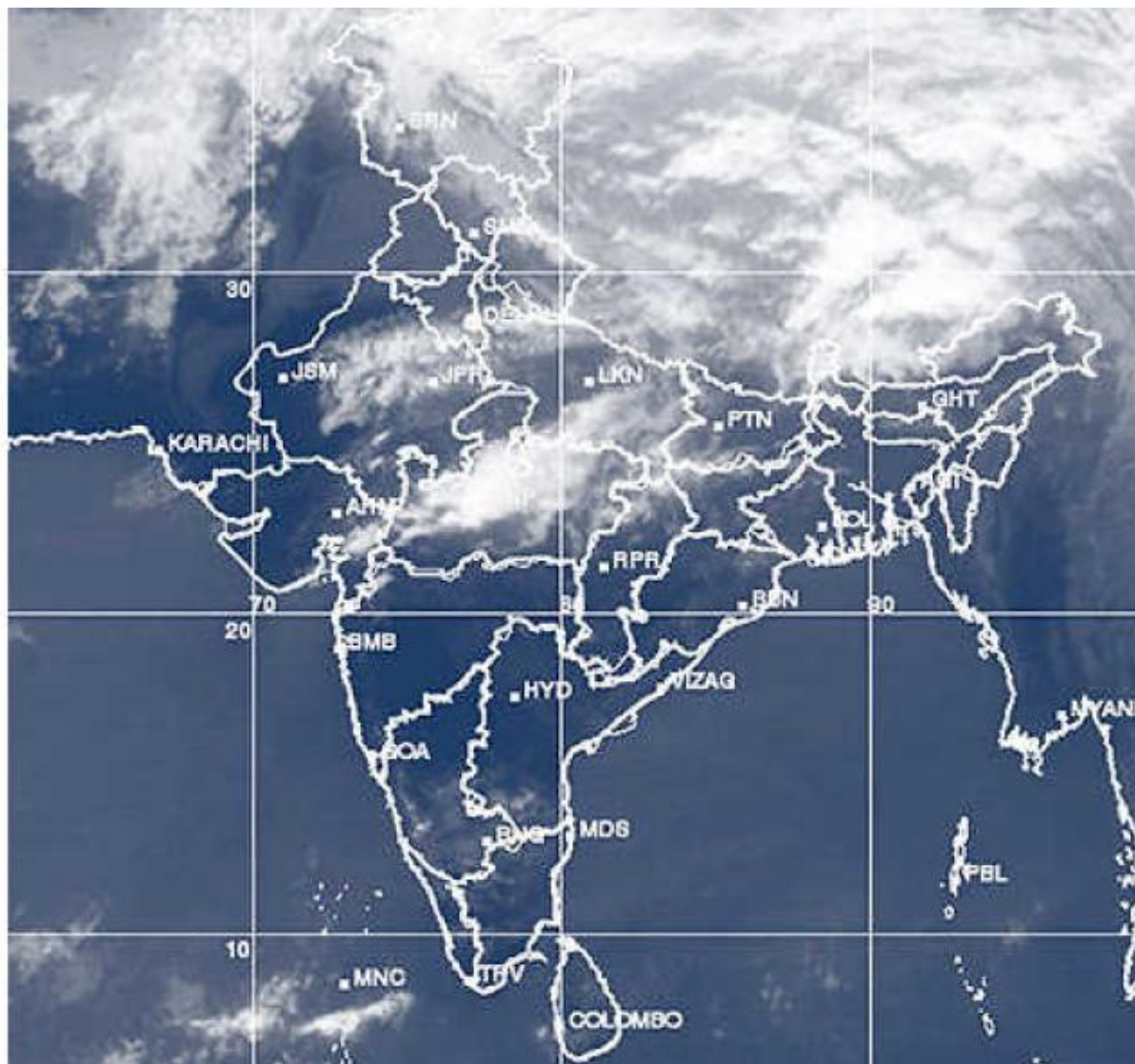
The project is a partnership initiative between the Federal Government of Nigeria and ICRISAT aimed at rebuilding Nigeria's groundnut pyramids and to reclaim the country's prime position as the largest groundnut producing country in Africa.

"The main objective of the groundnut value chain transformation project is to rebuild Nigeria's groundnut pyramids and drive the development of the groundnut subsector in the country in conjunction with stakeholders to improve production, processing, marketing and export," said Minister Adesina.

Minister Adesina was named as ICRISAT's Ambassador of Goodwill for his vision and leadership in the agricultural transformation of Nigerian agriculture and his valuable achievements in the field of agricultural research for development in Africa.

Dr. Dar emphasised the importance of the outstanding partnership between the institution and Nigeria for 38 years now.

Weather



INSAT PICTURE AT 11-30 hrs. Observations recorded at 8-30 a.m. on February 25.

Weather

Chennai - INDIA

Today's Weather



Sunny

Wednesday, Feb 26

Max 29° | Min 22°

Rain: 0

Humidity: 83

Wind: normal

Sunrise: 06:28

Sunset: 06:16

Barometer: 1015

Tomorrow's Forecast



Partly Cloudy

Thursday, Feb 27

Max 29° | Min 23°

Extended Forecast for a week

Friday
Feb 28



30° | 23°

Partly Cloudy

Saturday
Mar 1



31° | 23°

Partly Cloudy

Sunday
Mar 2



25° | 22°

Overcast

Monday
Mar 3



25° | 22°

Overcast

Tuesday
Mar 4



26° | 22°

Cloudy

THE NEW
INDIAN EXPRESS

Odisha Government Bid to Raise Egg Production to Meet Demand



Even as the State has recorded 10 per cent growth in egg production, there is still a huge gap between the demand and supply.

As per normative calculation, there is a demand of around 64 lakh eggs per day in the State. The domestic production of egg is about 45 lakh including 34 lakh from 61 commercial layer farms.

Under the supplementary nutrition programme, around 15 lakh eggs are required for the Integrated Child Development Scheme (ICDS) and 13 lakh for mid-day meal programme on daily basis.

The gap in the demand and supply is met by procuring around 20 lakh eggs from neighbouring Andhra Pradesh, official sources said adding the annual per capita availability of egg in Odisha is 56 as against the national average of 55.

Considering this requirement, the State Government has planned to increase egg production through commercial farming and backyard poultry. The Government has announced capital subsidy of 40 per cent to attract more private investment in this sector. The capital investment subsidy will be raised to 50 per cent for women, scheduled category entrepreneurs and graduates in agriculture and allied disciplines, the sources said. Issues confronting poultry farming were discussed at a high level meeting chaired by Chief Secretary JK Mohapatra here recently. It was decided at the meeting that the issues relating to reimbursement of VAT and entry tax for layers poultry farms will be dealt expeditiously. Since poultry has been recognised as an agricultural activity, the meeting decided to treat it at par with agriculture with regard to land use and power tariff matters. The Chief Secretary asked the Revenue and Disaster Management department to issue necessary instructions clarifying that conversion of agricultural land to homestead land may not be necessary for setting up layer poultry farms. The Energy department was asked to take up the tariff related matter with the Government. Meanwhile, the Panchayati Raj and the Fisheries and Animal Resources Development (F&ARD) departments have developed a model plan to rope in women self help groups (WSHGs) to enhance egg production to 100 lacs per day in coming years. The F&ARD department has been directed to promote establishment of maize processing units in the State to produce poultry feed. These activities will generate employment opportunities and provide permanent livelihood support to farmers.

THE HINDU Business Line

Castor oil prices will rise on tightening fundamentals



2011-12.

Falling inventories

While seed production is falling, castor oil export has been rising steadily for the last four years. From 4 lakh tonnes (lt) in 2011-12, shipments increased to 4.3 lt in 2012-13 and further to 3.7 lt in the first nine months of fiscal 2013-14, with projected export for the

Mumbai, February 25: Castor market fundamentals are tightening with seed production falling and exports rising. India is the world's largest producer and crusher of castor seed and also the largest exporter of castor oil, accounting for close to 90 per cent of world production and trade.

There are two sets of seed production data – one by the Agriculture Ministry and the other from crop survey sponsored by Solvent Extractors' Association.

While there is no unanimity within the trade on castor seed production data, the trend is clear – seed production has continued to fall for the second consecutive year after rising to a record

whole year placed at 4.6 lt. Rising oil exports also imply that large inventory of seed that was built up in the last two years are being crushed to produce oil. So, inventories are falling. At the recently-concluded Global Castor Conference 2014 in Ahmedabad, one message that stood out clearly was that the castor market fundamentals are tightening and thanks to improved global economic outlook, prices have the potential to increase sharply.

The emerging scenario will benefit castorseed growers who have been, in a sense, short-changed by speculative forces in physical and futures markets. Castorseed prices have hovered around Rs. 4,000-4,200 a quintal, far below the potential price that they can command given India's dominant position in the world market.

According to Atul Chaturvedi, CEO, Adani Wilmar Ltd, India exported close to 5 lt of castor oil in 2013 and this year, prospects of a 5 per cent rise in shipments are high. China has emerged as a major buyer of Indian castor oil at 2.3 lt, followed by traditional destinations – Europe (1.3 lt) and US (45,000 tonnes), he pointed out.

Expanding consumption

This versatile vegetable oil has varied industrial application including in soaps, resin, paint, varnish, lubricants, plasticizers, and so on. It also partially replaces mineral oil. With global growth outlook improving, consumption demand for this industrial oil is sure to expand. Several market participants told *Business Line* during the conference that they are aghast that India continues to fritter away its dominant position in the world market and does not extract a higher price from overseas buyers. Given the industrial nature of the oil, the global demand is largely price inelastic.

Exports, a failure

“As a nation, we have failed to extract a good price out of the global market due to unhealthy inter-se competition among exporters,” rued a senior trader.

Worse, Indian exporters have failed to cultivate end-users or actual industrial consumers across the world and willy-nilly play into the hands of large trade intermediaries located in Rotterdam and other destinations, commented another.

The country earns over \$850 million (over Rs. 5,000 crore) in foreign exchange from castor oil and derivatives export. The potential for value-addition is of course high, but opportunities are being frittered away.

Obviously a close review of India's export performance in terms of quantity, price, destination and marketing strategy for castor oil is called for.

About 25% Coonoor tea unsold

Coonoor, February 25: As much as 25 per cent of 12.92 lakh kg offered for Sale number 8 of Coonoor Tea Trade Association auction remained unsold last week, despite shedding Rs. 2.50 a kg over the previous week when 23 per cent remained unsold.

Despite prices falling to an average of Rs. 82.70 a kg from Rs. 85.27, only 9.29 lakh kg could be sold against 10.47 lakh kg in the previous week due to inadequate demand.

Consequently, the overall realisation slumped to Rs. 7.68 crore from Rs. 8.93 crore, marking 14 per cent decline in one week.

Homedale Estate tea, auctioned by Global Tea Brokers, topped CTC market when Mittal Tea Co bought it for Rs. 205 a kg. Homedale teas were the only CTC teas to enter the Rs. 200-a-kg-bracket. Crosshill Estate got Rs. 198 and Vigneshwar Estate got Rs. 195. In all, 72 marks got Rs. 125 and more.

Among orthodox teas, Kairbetta topped at Rs. 253 a kg followed by Singara Estate Rs. 234, Kodanad Rs. 228, Corsley and Highfield Estate Rs. 227 and Havukal Rs. 226. In all, 46 marks got Rs. 125 and more.

Quotations held by brokers indicated bids ranging Rs. 57-60 a kg for plain leaf grades and Rs. 110-160 for brighter liquoring sorts. They ranged Rs. 67-72 for plain dusts and Rs. 130-190 for brighter liquoring dusts. Upcountry buyers bought brighter-liquoring teas.

Spot pepper prices rise

Kochi, February 25: Pepper futures declined on Tuesday on the National Multi Commodity Exchange while on the IPSTA, all the contracts remained unchanged. Spot prices rose due to thin arrivals.

Arrivals at the terminal market continued to remain thin. Only 20 tonnes of farm grade pepper were traded to at Rs. 506-520 a kg. Pepper from the southern districts of Kollam and Pathanamthitta and northern districts of Malappuram and Kasargod was traded at Rs. 506-507. High Range pepper was traded at Rs. 517-520 while reprocessed material was sold at Rs. 516-517. There were buyers for Rajakumari (Idukki) at Rs. 520-522 but sellers were asking for Rs. 525.

Rubber ends flat at Rs. 145/kg

Kottayam, February 25: Spot rubber finished unchanged on Tuesday. Trading activities were extremely slow as almost all dealers and growers are waiting for the procurement operations to commence.

“We expect some decision at the Cabinet meeting to be held on Wednesday,” a trader said. Sheet rubber was quoted steady at Rs. 145 a kg, both at Kottayam and Kochi by traders and the Rubber Board.

The grade closed unchanged at Rs. 142, according to dealers.

Futures slip

March futures slipped to Rs. 145.18 (Rs. 145.57), April to Rs. 149.70 (Rs. 150.22), May to Rs. 153.09 (Rs. 153.71) and June to Rs. 154.25 (Rs. 154.30), while the July futures improved marginally to Rs. 154.10 (Rs. 153.90) on the National Multi Commodity Exchange.

TOCOM gains

RSS 3 (spot) declined to Rs. 133 (Rs. 134.27) at Bangkok. March futures closed at ¥215.2 (Rs. 130.28) against ¥213.7 on the TOCOM. Spot rubber rates (Rs. /kg) : RSS-4: 145 (145); RSS-5: 143 (143); Ungraded: 140 (140); ISNR 20: 143 (143) and Latex 60%: 120 (120).

For Commodities page (brief)

Kochi, February 25: COPRA CRUNCH HEATS UP COCONUT OIL

Shortage of copra has lifted the coconut oil to a record high of Rs. 122 a kg in Kerala and Rs. 120 in Tamil Nadu. Bharat N Khona, former Board Member of Cochin Oil Merchants Association, said that though the season started picking up slowly in Kerala, low arrivals have pushed up copra prices. Corporates and upcountry buyers are not interested in buying at higher prices Copra prices are ruling at Rs. 90/kg in Tamil Nadu while in Kerala, it was Rs. 92. The price of loose oil for 15 kg is quoting at Rs. 1,790 in Tamil Nadu. V Sajeew Kumar

Fresh demand lifts groundnut oil

Rajkot, February 25: Prices of groundnut oil increased on renewed demand from brands and stockists at the lower level. On the other hand, cotton oil ruled stable on normal buying activity. Groundnut oil loose improved by Rs. 20 to Rs. 735-740 for 10 kg, while *telia* tin gained Rs. 30 to Rs. 1,150-51 for 15 kg. Groundnut oil new tin was traded higher by Rs. 10 to

Rs. 1,315-20 for 15-kg tin. About 30-35 tankers of groundnut oil were traded in Saurashtra's mills. Washed cottonseed oil declined by Rs. 2 to Rs. 610-613 for 10 kg, while new tin was quoted at Rs. 1,090-1,100 for 15 kg. About 25-30 tankers of cotton oil were traded. Our Correspondent

NCDEX plans small-ticket contracts in chana, castor to boost trade



Exchange gets regulator approval ; launch likely early next month

Samir Shah, Managing Director, NCDEX. **New Delhi, February 25:** Commodities exchange NCDEX said on Tuesday that it will soon launch smaller contracts of one tonne each for castorseed and chana futures to boost trading volumes. "We received the Forward Markets Commission approval last week to launch smaller contracts of one tonne in chana and castorseed. We expect to launch them early March," NCDEX Managing Director Samir Shah told reporters on the sidelines of a seminar on new age agri-marketing solutions. The smaller contracts in castorseed and chana will co-exist along with the parent contracts, which have a lot size of 10 tonnes each.

More on cards

Shah said that response to the recently-launched silver and steel contracts was good and the exchange was also looking at launching contracts in iron ore and coal going forward. However, he did not spell out any timeframe for these contracts.

NCDEX is also planning to step up its presence in the spot commodity markets through rollout of its electronic auction platform.

E-market service

The Rashtriya e-Market Services, NCDEX's joint venture with the Karnataka Government, recently rolled out unified market platform (UMP) – an e-auction system in the three markets of Tiptur, Arasikere and Chamrajanagar in the southern State. Copra is the major commodity traded in Tiptur and Arasikere markets, while turmeric dominates trade in Chamarajanagar. The unified market platform will be rolled out in 94 markets in the State over the next three years, said GV Krishna Rau, Additional Chief Secretary, Government of Karnataka. These 94 markets account for about 96 per cent of the commodities traded in the State.

Pilot projects

Shah also said pilot projects of the e-auction were being run in Tamil Nadu and Andhra Pradesh. The turnover on the NCDEX Spot Exchange has more than doubled to about Rs. 5,000 crore. NCDEX is targeting a turnover of \$1 billion by the end of this fiscal, Shah said.

'Growers lack awareness about coffee cupping'

Coffee cupping is evaluating the brew's aroma and its flavour profile



Anatoly Tipliyashin/shutterstock

Bangalore, February 25: Ecom, one of the top three coffee merchants and the largest coffee millers in the world, believes that Indian growers lack awareness in coffee cupping (evaluating

the brew's aroma and its flavour profile).

"Currently there is a lack of awareness about cupping among the Indian growers. Therefore, I feel it would be good for them to learn and be aware of cup profiles," Vivek Gaur, country manager at Ecom Gill CoffeeTrading, told *Business Line*.

"Learning these skills and honing them will also help them to improve their farm practice and market their own coffees in a better manner," he said.

According to him, Indian robustas are rated high in the coffee trade globally, as it is known for its smooth yet strong cup. It commands a degree of respect for itself in the Espresso market and is currently competing with Vietnam and Indonesia.

Arabica is known for its mild acidity, flavour and aroma and is currently facing stiff competition with Colombian and Central American coffees which are priced cheaper, but are not proven to be superior in quality. "Slowly the global coffee trade is waking up to the coffee grown in diverse agro-climatic regions in India. Though most of the clients look for conventional Indian coffees, we also promote regional coffees to a few clients," said Gaur. Gaur further said, "Small holding has not made any significant impact on marketing but we do work with small farmers in different regions and provide them technical assistance to improve their quality and productivity which in turn helps them to improve their livelihood conditions."

Ecom Gill's has origin operations spread across 25 countries and has sales offices in Singapore, Switzerland, New York, London, Australia and Japan.

"Through this network, we are currently exporting Indian coffees to Europe (mainly to Italy). But with our global presence we are constantly trying to push sales to the US, Australia, Japan, West Asia and other countries," he said.

Why India needs a futures exchange for water?



The entire agricultural value chain, starting from the farmer to the consumer, will stand to benefit

The risk of water availability is a painful reality in south Asian agriculture including India. Any deviation from the monsoon causes problems for the farm community and poses threat to food security in the region.

The variability in precipitation in India has actually increased in recent years. While comparing the variability of

precipitation (given by standard deviation) between two phases, 1950-75 and 1976-2010, in two geographically dispersed districts in India, it was found that in Tumkur, Karnataka, the standard deviation of precipitation during the South-West monsoon increased to around

171 in phase 2 from 147 in phase 1, while the same in Medinipur, West Bengal, increased to 220 in phase 2 from 188 in phase 1 – both cases revealing higher fluctuations in precipitations in phase 2. Fertiliser Association of India data for 35 select districts during 1989-2009 show that precipitation has varied between 77 per cent (in the worst case) to 119 per cent (in the best case) of normal rainfall (defined by long-term average value). Moreover, between 1999 and 2008, rainfall has been scanty, and for eight years the precipitation has been less than normal. Because of this erratic nature of the Monsoon, the risk of water availability has increased.

Risk mitigation strategies, on the other hand, have primarily been confined to supply-augmentation plans and demand-management mechanisms. It is difficult for supply-augmentation plans (such as construction of big dams, water transfers, etc.) to succeed as water in most river basins in India has already been fully allocated. Moreover, none of the current risk-mitigation strategies financially compensate in those instances where water is unavailable. Rather, there is a value loss. Informal water forward markets are in vogue to a certain extent in many parts of South Asia, though they have not been successful enough to mitigate the risk of water availability at the river basin scale.

Parties with exposure to water availability risk are not merely irrigators, but also investors, financial market participants, banks, etc. Investors and financial market participants have no desire, ability, or interest in acquiring physical water to offset that risk; neither do they have any incentive to take up the hedger's risk and take physical delivery of water. Yet, lending institutions like banks might bear an inherent risk with water availability.

Risk of crop failure

A bank may lend money to a farmer to invest in planting a crop, and gets exposed to risk of crop failure due to failure of rain. An agricultural processor also faces the risk as water shortage will affect his processing. Even re-insurers do not have any means of covering their exposure to floods.

None of these parties have any incentive in trading of physical water rights, and hence their risks do not get mitigated. Undoubtedly, South Asia presently requires a different institution to hedge against this risk. Such response can occur in the form of a water futures exchange. There are various expected benefits of such a futures markets. First, water futures will help discover price (through the scarcity value of the resource), leading to efficient use of the resource.

Second, it will provide a price indicator for future stored water, assist investment decisions as also forward risk management, and will offer an objective instrument of decision-making for project prioritisation.

Third, irrigated as also rain-dependent agriculture, dependent on the availability of water, will be able to use the market to insure themselves against droughts by locking in prices in the water futures market. Such risk transfer in the private sector will significantly reduce the burden of drought relief currently borne by governments.

Fourth, water futures provide the financial tools required by investors and banks to invest in the rural sector. This would result in long-term planning and investment to deliver water to needy areas.

Moreover, banks and financial intermediaries can develop other products suitable for their customers by making use of the water futures market. Fifth, it will help in promoting the best water-efficient technology. Sixth, the price discovered in the futures market can offer a mechanism for setting conservation priorities within a limited budget.

Beneficiaries

As a result, the beneficiaries from a water futures exchange are many. On the one hand, the beneficiaries include the entire agricultural value chain starting from the farmer to the consumer. Hedging in the water futures exchange will not only minimise the risks of the producer and the supplier, but will also enable passage of parts of the benefits to the consumers.

A futures market for water will act as a market-based "bail-out institution" for all the beneficiaries. In a similar vein, corporations producing hydropower may also benefit from the futures markets.

Municipal corporations, municipalities and water boards can also do so by taking positions in the futures exchange for water and use the funds for infrastructure development.

However, water futures should be traded in indexes and the final trade should be settled in cash. Physical delivery might not make sense and might deter trading for two principal reasons.

First, the cost of physical delivery might be high (due to infrastructure, movement costs, etc.) that it will deter participation and curb liquidity.

Second, a majority of the stakeholders (banks and other lending organisations) are not concerned with the physical availability of water, but more with value loss due to water scarcity.

Unfortunately, in India, till now it is not possible to trade an index in a commodity futures exchange, as the regulatory statute does not allow trading in commodity index futures. Hence, to enable futures trading in water availability index, either the existing statute needs to be modified, or a separate statute for creation of water futures exchange needs to be passed for quenching the thirst of a water-scarce economy.

The writer is Chief Economist, Multi Commodity Exchange of India Limited. Views are personal.

Business Standard

Crude palm oil up 0.3% on rising demand

Supported by rising domestic demand, [crude palm oil](#) futures gained 0.28% to Rs 583.30 per 10 kg as speculators enlarged positions.

At the Multi Commodity Exchange, crude palm oil for delivery in March added Rs 1.60, or 0.28%, to Rs 583.30 per 10 kg in business turnover of 68 lots.

Similarly, the oil for delivery in February gained Rs 1.20, or 0.21%, to Rs 583 per 10 kg in 7 lots.

Analysts said the rise in crude palm oil prices at futures trade was mostly attributed to participants enlarging their positions on the back of rising demand in the spot market.

Chana up 0.3% on spot demand

[Chana](#) remained higher for the second straight day and prices rose further by Rs 10 to Rs 3,072 per quintal in futures trade today as speculators enlarged positions, supported by rising demand in the spot market.

At the National Commodity and Derivative Exchange, chana for delivery in May added Rs 10, or 0.33%, to Rs 3,072 per quintal with an open interest of 30,710 lots.

April chana traded higher by Rs 9, or 0.30%, to Rs 3,032 per quintal in 82,570 lots.

Analysts said rising demand in the spot markets mainly influenced chana prices to rise at futures trade as speculators created positions.

Cardamom falls 0.63% on sluggish demand

Cardamom prices fell by 0.63% to Rs 777 per kg in futures trade today as speculators offloaded positions amid sluggish demand at prevailing higher levels in the spot market.

Adequate stocks position in the physical market due to increased arrivals from producing belts also weighed on cardamom futures.

At the Multi Commodity Exchange, cardamom for delivery in March fell by Rs 4.90, or 0.63%, to Rs 777 per kg in business turnover of 169 lots.

April cardamom shed Rs 4.20, or 0.52%, to Rs 807.90 per kg in 88 lots.

Market analysts said off-loading of positions by speculators, driven by sluggish demand in the spot market against adequate stocks position mainly influenced cardamom prices at futures trade.

Potato climbs 1.5% on upsurge in demand

Supported by rising demand, [potato](#) prices surged 1.49% to Rs 1,201.40 per quintal in futures market today as speculators indulged in creating positions at futures trade.

At the Multi Commodity Exchange, potato for delivery in March shot up by Rs 17.60, or 1.49%, to Rs 1,201.40 per quintal in business turnover of 60 lots.

April potato traded higher by Rs 5.60, or 0.47%, to Rs 1,205.50 per quintal in 73 lots.

Market analysts said besides rising demand in the spot markets, tight arrivals from producing belts, helped potato prices to rise at futures trade here.

Ethanol blending goes for a toss due to poor response from sugar mills

The Centre's programme to blend five per cent of [petrol](#) with [ethanol](#) with petrol is facing trouble, thanks to the poor response from [sugar mills](#). Oil marketing companies (OMCs) had floated tenders twice, inviting mills to supply ethanol.

In the wake of poor response for the first, OMCs had floated another for 250 million litres. But this also got a poor response. The open tender had invited mills to supply any quantity at Rs 44 a litre. But, due to the duties and transportation costs, the income a mill would get would be no more than Rs 37 a litre, the price in the first tender.

"While the exact response was not disclosed by OMCs, it was certain mills were not keen,"

said a source.

In the first tender, OMCs had made a demand of 1,050 million litres in 2013-14. But, owing to a weak crushing season, mills offered to supply 550 million. However, OMCs placed orders for 400 million.

Of these, OMCs lifted 220 million. Mills are doubtful if the rest would be lifted in six weeks, as the supply order lapses next month.

“It was just a matter of a few rupees. Hence, it makes no business sense to continue supplying,” said Rakesh Bhartia, managing director, India Glycols.

ETHANOL REQUIREMENT	
In '000 litres	
Haryana	2,190
Delhi	18,331
Rajasthan	3,250
Uttar Pradesh	57,773
Bihar	8,436
West Bengal	4,343
Goa	9253
Maharashtra	101,330
Andhra Pradesh	24,517
Karnataka	14,206
Total	243,629

Source: Ethanolindia.com

By conservative estimates, of the 2,400 million litres of alcohol produced a year, 1,000 million are used for making potable alcohol. While chemical and allied sectors consume 700 million, an equal quantity is left for blending.

To bridge the supply gap, OMCs, in the second tender in July, sought to procure 1,335 million between December 2013 and November 2014. Mills offered to supply 620 million, 46 per cent of the required quantity.

“For industrial alcohol, the production cost works out to Rs 33-34 a litre. If further converted to ethanol, the cost goes to Rs 36 a litre. Selling ethanol at Rs 36-37 a litre, therefore, does not make any economic sense,” said Deepak Desai, chief consultant, ethanolindia.net, a consultancy firm.

For mills, the timeliness of molasses supply also makes much sense, he added.

Last year, India exported 0.58 million tonnes due to the delay in tender and unviable ethanol prices offered by OMCs.

Egg prices fall despite stable demand

Despite a stable demand for [eggs](#) and a prolonged winter this year, their prices have been falling. From Rs 400 for 100 eggs three months earlier, it is now Rs 290-320 in various parts of the country, on the lower side of the range in the north and higher in the south.

According to the Hyderabad-based National Egg Coordination Committee ([NECC](#)), the average farmgate price in Andhra Pradesh for every 100 eggs was Rs 322 in February, against an average of Rs 370 in January and Rs 386 in December. In Haryana on Tuesday, it was Rs 290 for 100 eggs.

“The fall in prices of vegetables in the past few months could have made people consume more of those, partly contributing to the fall in egg prices,” said a senior NECC official.

Prices, he said, exhibit volatility during March-June, due to a demand oscillation of 20 per cent. For farmers to break even, prices have to stay well above Rs 300 (for every 100 units), he added. The per capita demand in India has been 48-50 eggs for about five years. Stability in the cost of poultry feed has helped farmers combat the fall in egg prices. With summer round the corner, they don't expect a revival in the price; consumption falls in this season. During March-April, prices come under pressure due to a fall in demand, recovering slightly in May; from June, they start to stabilise.

Subramanyam, an NECC coordinator in Chittoor (Andhra), said with good returns in the past three months and news of an extended winter in North India, many farmers did not opt for culling the birds for chicken supply in February, which led to some rise in supply of eggs. Confirming this, a farmer in East Godavari district said there was 10 per cent more supply this time.

“The poultry sector is predominantly unorganised and can be easily subjected to price volatility by a bunch of traders and wholesalers,” said Atul Mahajan, managing director of papaak.com, a poultry prices monitor.

Due to absence of cold storage facilities and the short shelf-life of eggs, many farmers lost money every year, he added.

In 2013, as against an average of Rs 340 for 100 eggs in February, prices dropped to Rs 250 in May.

During this period, many farmers suffered losses but counted on winter demand to cover the losses. Andhra Pradesh Poultry Federation president D Sudhakar said farmers would incur losses if prices fell substantially during March-May.
