

## Vegetable prices fall in Coimbatore

COIMBATORE, January 17, 2014

**Arrivals will increase since Sankranti is over**



After almost a year, vegetable prices in the city have started declining and are expected to drop further next week. M. Rajendran, president of Thyagi Kumaran Market Vegetable Merchants' Association, told *The Hindu* on Thursday that wholesale prices of big onion was more than Rs. 60 a kg till the end of last November. The prices dropped by Rs. 30 a kg last month and now it is Rs. 14 a kg.

Coimbatore gets its supply of big onions from Karnataka and Maharashtra. The arrivals from Karnataka are over and it is now from Maharashtra. Farmers in Maharashtra are selling at nearly Rs. 8 a kg and are demanding measures by Government for better prices. The arrivals will increase since Sankranti is over and wholesale prices here are expected to fall further. If the prices go down, traders here might reduce the purchase as it will not be viable, he says. Price of big onion is not expected to go up till August.

In the case of small onion, the wholesale price in the city is Rs. 18 to Rs. 22 a kg. Most of the gourd varieties are less than Rs. 10 a kg (wholesale price). Except for lemon, onion, and potato, most of the vegetables are sourced from different parts of the State.

Only the price of drumstick is high (Rs. 180 a kg and retail prices will be higher). Drumstick prices are usually high in January. This year, availability is also lower. Arrivals of vegetables to the Coimbatore market reduced during the last three days because of Sankranti. It will go up from next week, he said.

---

## **Award to banana farmer from Theni district**

**COIMBATORE, January 17, 2014**

As it does every year, this time too the Tamil Nadu Agricultural University gave away awards to five select farmers from different parts of the State in recognition of their innovation and progressive methods followed in agriculture.

Instituted by the university, the Velanmai Chemmal Awards are sponsored by C.R.I. Pumps. This year's achievers included G. Mayilsamy from Sulur Kaliapuram, Coimbatore, for his contribution to seed and bio-fertilizer production by adopting new technologies. G. Karikalan from Keelapatti, Karur district, for adoption of latest technologies in ensuring sustainable agriculture received an award too. He has also established a co-operative production company, which is operating successfully.

T. Rajkumar from Devankudi, Tiruvarur district, was recognised for his contribution to sustainable agriculture and service to farming community. He is involved in extensive use of mechanisation, from sowing to harvest of rice. A.P. Karuppiah, a banana farmer from Chinnamanur, Theni district, received award for his contribution and service to farming community. He has been instrumental in motivating farmers to form associations and take up processing technologies in making banana products.

---

## **Farmers in Salem turn to fish farming in ponds**

**SALEM, January 17, 2014**

Soon Palanivel of Lakshmanoor in Veerapandy block would be able to carry out fish farming in his newly created farm pond and improve his earnings substantially. Constructed under the Mahatma Gandhi National Rural Employment Guarantee

Scheme (MGNREGS) at a cost of Rs. 1 lakh, it took 875 man days for digging the pond of 30m x 28m at a depth of 5ft for storing rain water and help in recharging groundwater so as to carry-out agriculture. But he feels fish farming could fetch him more money as there is a regular demand. "Thirumanimutharu flows near the pond and hence water availability is not a problem to carry out rearing," says Palanivel.

---

## Water level at Mettur

TIRUCHI, January 17, 2014

The water level in the Mettur dam stood at 54.90 feet on Thursday against its full level of 120 feet. The inflow was 210 cusecs and the discharge 5,000 cusecs.

---

## Water level

TIRUNELVELI, January 17, 2014

Water level in the Papanasam dam on Thursday stood at 96.15 feet (maximum level is 143 feet). The dam had an inflow of 495.83 cusecs and 904.75 cusecs is discharged. The level of Manimuthar dam stood at 83.65 feet (118 feet). The dam had an inflow of 203 cusecs and 30 cusecs is discharged.

## Nagercoil

Water level in the Pechipparai dam stood at 21.35 feet, while it was 55.75 feet in Perunchani, 12.20 feet in Chittar 1, 12.30 feet in Chittar 11, 4.60 feet in Poigai and 54.12 feet in Mamabazathuraiyaru.

---

## Prices of white areca nut recover

MANGALORE, January 17, 2014

After witnessing a downward trend last month believed to be due to reports over the Union government's move to ban areca nut, prices of white areca nut (called chali) have recovered now.

The prices of 'hale adike' (old stocks of 2012-13 season harvested between November and March) which were hovering around Rs. 195 per kg till December 10 last month began to drop to reach Rs. 180 a kg in about ten days.

It was after December 10 that media began reporting about a letter (of September 6, 2013) written by an official of the Union Ministry of Health and Family Welfare to the Food Safety and Standards Authority of India "...requesting to examine the scientific evidences on the harmful effects of areca nut with a view to initiating necessary action to classify areca nut as an injurious substance and accordingly prohibit its use as ingredient in any food product."

Following this there were debates and protests over the move to ban areca nut.

Ramesh Kainthaje, a member of G. V. Joshi committee on production cost of areca nut, a farmer and a close observer of areca nut market, said that following the reports there was panic flooding of areca nut to markets by farmers which pushed the prices down by Rs. 15 per kg. Prices began to go up after State ministers stated that it would not be banned and the Union Minister for Health and Family Welfare Ghulam Nabi Azad (on December 27) stating that the move had been put on hold.

Prices began to recover from the last week of December after farmers began to hold the produce, he said. Price on Wednesday stood at Rs. 195-197 per kg, Mr. Kainthaje said.

### **'Prices up this year'**

He said when compared to the prices prevailing during the same period last year, the prices are up by Rs. 15 this year. Last January, the price of 'hale adike' was hovering around Rs. 185 per kg, he said.

Concurring with this M. Suresh Bhandary, managing director, the Central Areca nut and Cocoa Marketing and Processing Cooperative Ltd. (Campco), said farmers, wholesale, and retail traders played a pivotal role in deciding areca nut market.

The reports shook farmers this time who released old stocks held by them. Farmers were apprehensive that like gutkha, the government indeed might ban areca nut.

- 
- *Price of areca nut on Wednesday stood at Rs. 195-197 per kg*
  - *Prices are up by Rs. 15 compared to the prices in the corresponding period last year*
- 

## Hortcorp to procure 10 tonnes of Palakkad tomatoes

THIRUVANANTHAPURAM, January 17, 2014

Buoyed by Wednesday's Cabinet decision allowing procurement and market intervention, the Kerala State Horticultural Products Development Corporation (Hortcorp) has launched a major drive to procure at least 10 tonnes of tomato from farmers in Palakkad district.

The Hortcorp move is expected to benefit the farmers struggling to sell their produce following a crash in the price of tomato across the country.

As many as 650 farmers have reported a bumper yield of hybrid tomato from 1,000 acres in Perumatty, Vadakarapathy, Menonpara, and Kozhinjampara.

"We learnt they are willing to sell at Rs.1.75 per kg. Hortcorp plans to procure the produce at Rs.5 to Rs.6 per kg and sell it at Rs.10 across the State through our outlets", K. Prathapan, Managing Director, told *The Hindu* from Kochi, on his way to Palakkad to address a meeting of farmers on Friday. The procurement process is expected to be completed in two weeks.

Hortcorp has also initiated talks with the Kerala State Agro Industries Corporation to produce value-added products like tomato puree, ketchup, and sauce.

The products are proposed to be manufactured at the Agro Industries Corporation's processing unit at Punalur.

Dr. Prathapan said the products would be labelled and sold under Horticornp's Amruth label.

"By giving us a free hand to procure vegetables and fruits and intervene in the market, the government has reposed confidence in Horticornp. We are now trying to rise up to the expectations", he said.

---

## Diary, calendar released

KADAPA, January 17, 2014

District Collector K. Sasidhar released the diary and calendar brought out by the Agriculture Officers' Association here on Thursday. He exhorted agriculture officials to be accessible to farmers and give them suitable advice on farming.

---

## VC suggests incentives for farmers

KALPETTA, January 17, 2014

'Unscientific use of chemical fertilizers hits productivity'

The need for providing attractive incentives to the farming community to promote agriculture in the State was stressed at a seminar concluded at Meenangadi in Wayanad district on Wednesday. Speaking after inaugurating a seminar on fertilizer management, organised by the Indian Potash Ltd. in association with the Agriculture Department,

P. Rajendran, Vice Chancellor, Kerala Agricultural University (KAU), said increasing crop productivity was the need of the hour to ensure food security and it could be achieved only through providing incentives such as zero- interest or low-interest agricultural loans and free crop insurance to the farming community.

KAU scientists led classes on related topics.

---

## Cardamom rules steady as demand matches supply



Cardamom prices ruled steady at the auctions last week as demand matched supply.

Arrivals continued to be good even now. At the same time, there was buying interest from upcountry dealers and exporters. "They were buying but not aggressively," trade sources said.

However, demand is expected to pick up only after the cold weather in the North clears up, market sources in Bodinayakanur said. Exporters bought 50 tonnes of cardamom.

Availability of exportable variety continued to be thin as the size of the cardamom arriving, at present, is small, the sources said.

Harvesting is nearing the fag end of the season, they said. Exportable variety is not available in sufficient quantity. Individual auction average continued to be below Rs 600 a kg.

This season, which began on August 1 total arrivals are 12,243 tonnes as on January 12 compared with 6,796 tonnes during the same period a year ago.

Sales were 11,943 tonnes against 6,457 tonnes. The weighted average price was Rs 594.50 a kg (Rs 771.40).

Total arrivals at the Sunday auction of the KCPMC increased to 105 tonnes from 88 tonnes the previous week and the entire quantity was sold out, P.C. Punnoose, General Manager, CPMC, Kumily, told *Business Line*.

The maximum price fetched was Rs 851. The auction average declined marginally to Rs 562 from Rs 566.32 the previous week, he said.

Prices of all graded varieties improved last week and their prices in (Rs/kg) were : AGEB: 705-715; AGB: 590-600; AGS: 550-560 and AGS-1: 530-540.

Bulk was being traded at Rs 450-800.

---

## **Spot rubber prices rule steady**

Spot rubber prices ruled steady on Wednesday. The absence of genuine buyers and sellers kept sentiments almost neutral during the day.

Most traders were hesitant to raise their commitments following another weak closing in the domestic futures. The trend was partially mixed as ISNR 20 ended in the red on buyer resistance, while overall volumes continued to be dull.

Sheet rubber quoted unchanged at Rs 152a kg by traders and the Rubber Board. The grade closed flat at Rs 149a kg as reported by the dealers.



January futures weakened to Rs 151(Rs 152.84), February to Rs 153.30 (Rs 154.96), March to Rs 155.55 (Rs 157.74) and April to Rs 159.22 (Rs 162.05) a kg while May and June futures remained inactive on National Multi Commodity Exchange.

RSS 3 (spot) improved to Rs 145.47 (Rs 144.39) a kg at Bangkok.

The January futures firmed up to ¥ 265 (Rs 156.30) from ¥ 262.0 a kg during the day session and then to ¥ 266.7 (Rs 157.32) a kg in the night session on Tokyo Commodity Exchange.

**Physical rubber rates (Rs/kg) were:** RSS-4: 152(152); RSS-5: 144(144); Ungraded: 141(141); ISNR 20: 148(150); and latex 60 per cent: 132(132).

---

### **Cotton body cuts output estimate**

The Cotton Association of India has lowered its crop output estimate marginally to 376 lakh bales (of 170 kg each) for the current season ending in September.

Last month, the association had estimated the output at 378.75 lakh bales.

Crop output in the central region including Gujarat, Maharashtra and Madhya Pradesh is expected to increase 19 per cent to 218 lakh bales against 183 lakh bales last year. In the North Zone comprising Punjab, Haryana and Rajasthan, it will be down 15 per cent to 53 lakh bales (62 lakh bales).

In Andhra Pradesh, Tamil Nadu and Karnataka, production is expected to fall seven per cent to 99 lakh bales from 106 lakh bales, the association said.

Total demand, excluding exports, is estimated at 300 lakh bales against 383 lakh bales (including export of 98 lakh bales) achieved last year, it said.

As of December, arrivals were marginally higher at 119.75 lakh bales against 102.50 lakh bales in the same period a year ago.

The association has estimated that one-third of the crop harvested last season has arrived in the market.

---

### AP industry, farmers spar over cottonseed pricing



As the marketing season for the rabi season begins, the issue of cottonseed pricing has cropped up again in Andhra Pradesh. The seed industry is pitching for a raise of Rs 120 for a packet of 450 gm of Bt cottonseed. It has asked the State Government to fix the price at Rs 1,050, keeping in view the rising cost of production.

A decision by the Andhra Pradesh Government holds the key as it is considered to be a bellwether. Generally, other cotton-growing States take a cue from Andhra Pradesh while deciding pricing in their backyard.

The Andhra Pradesh Government has begun the consultation process with stakeholders such as seed industry representatives, farmers' bodies and non-governmental organisations as it does every year ahead of the marketing season.

"They have not considered our requests earlier and there was no increase for some time. The cost of production has gone up significantly and it is difficult for us to sell at last year's prices," a representative of the association, who did not want to be named told *Business Line*.

The farmers' organisations, however, are saying that there is no case for increase in prices. "They have promised to give Rs 290 to seed producing farmers but are giving

about Rs 200 only. It is not at all remunerative for them,” said Andhra Pradesh Rythu Sangham Vice-President Bharat. He demanded that the companies reduce the price and not seek a raise. He also asked the Government not to consider any raise.

Cottonseed companies in the country witnessed a glut last year. They were saddled with eight crore packets of seed against a demand of about four crore packets.

A Government source hinted that there will be no price hike. “This is an election year and we don’t expect a raise this year. The demand for cottonseed has come down last year. We expected a requirement of 1.25 crore packets in the State. But about 30 lakh packets remained unsold,” the source said.

---

## **Foodgrain output headed for record this year, says Pawar**

The country’s foodgrain production, aided by timely and uniform spread of monsoon, is headed for a new record this year, said Agriculture Minister Sharad Pawar. However, he expressed concern over the output of pulses and edible oilseeds, as the country continues to import them to meet domestic shortfall.

“We will be approaching an all-time record production of foodgrains this year,” Pawar told the 85<sup>th</sup> Annual General Meeting of the Indian Council of Agricultural Research here on Wednesday. The second advance estimates on the foodgrain output are expected to be released sometime in February.

### **Beneficial monsoon**

India’s foodgrain production had touched an all-time high of 259.29 million tonnes (mt) in 2011-12, but fell marginally in the subsequent year to around 255.36 mt on account of poor rains in some parts of the country.

Good Monsoon this year has raised the prospects of a bumper harvest.

The Agriculture Minister said data on planting of wheat and other winter crops were encouraging.

Despite a stagnant cultivable area at around 142 million hectares, foodgrain production in the country over the past 10 years has increased from 198 mt in 2004-05 to 259 mt in 2011-12 at an average of about six mt a year, Pawar said.

During this period, production of wheat and rice – the two main staple cereals – reported an increase of 50 million tonnes.

“The efforts of scientists in developing high-yielding, input-efficient, disease-tolerant varieties/hybrids along with widespread adoption by the farmers are visible in increasing farm productivity, quality and quantity,” he said.

Pawar exhorted ICAR scientists to formulate research programmes that were more focussed and contributed in realising the national goal of four per cent growth in agriculture.

With climate variability becoming a major issue, he said it should be a constant endeavour to enhance the resilience of Indian agriculture against natural disasters and climate changes.

The Agriculture Minister also called for more research in boosting the productivity and production of pulses and oilseeds. Pulses production is expected to be around 19 mt. India imports around 3.5 mt of pulses and over 10 mt of vegetable oils to meet the domestic shortages.

---

## Castor seed futures rise despite limited buying



Castor seed futures rose despite limited buying by market participants, while spot castor seed dropped due to poor demand.

On the Rajkot Commodity Exchange, castor seed March contracts increased by Rs 41 to Rs 4,362/quintal. RCX spot castor seed declined by Rs 55 to Rs 4,090/quintal.

On the National Commodity and Derivatives Exchange, castor seed January contracts moved up by Rs 63 to Rs 4,365, with an open interest of 10,850 lots. NCDEX February contracts gained by Rs 67 at Rs 4,428, with an open interest of 185,090 lots.

About 12,000-13,000 bags of castor seed arrived in Gujarat and prices fell by Rs 10 to Rs 825-840/20 kg.

Around 3,000-3,100 bags arrived in Saurashtra and prices declined by Rs 10 to Rs 760-805/20 kg.

A Rajkot-based commodity trader said that prices in the futures market increased despite interest being lower.

The rise could be attributed to value buying after prices dropped on Monday.

Moreover, expectation of a drop in production supported the price higher.

Spot price decreased as demand was poor in castor oil. However, castor oil price remained unchanged at Rs 855/10 kg.

---

### Pulses rise as excess rainfall affects output



Weak arrivals, higher demand from mills lifted prices of moong, urad and masoor, while tur ruled flat.

Moong prices in the Indore mandis have increased in the last one week by almost Rs 500, with moong (best quality) in the local mandis quoted at Rs 7,000-Rs 7,100 a quintal on Wednesday.

Similarly, moong (medium) ruled higher at Rs 6,200-6,500 a quintal. Demand for moong and urad in the local mandis has gone up alarmingly ahead of the *Makar Sankranti* festival in the last few days, leading to a sharp rise in prices. Prakash Vora, a local pulse trader, told *Business Line* that lower moong and urad output due to damage caused by excess rainfall is contributing to the uptrend.

Rise in spot moong also lifted its dal with moong dal (medium) in the local mandis quoted at Rs 8,000-8,1000 on Wednesday; moong dal (bold) was quoted at Rs 8,500-8,600; while moong mongar ruled at Rs 8,600-8,700. Compared with last week, moong dal is up Rs 1,000. Urad also witnessed an uptrend with demand outstripping arrivals. In the last one week, urad gained Rs 150-200 with a rise in buying support from the millers. On Wednesday, urad (bold) was quoted at Rs 4,600-4,700 a quintal (Rs 4,450-Rs 4,500 last week) at the Indore mandis; while urad (medium) ruled at Rs 4,200-4,400 (Rs 3,800-4,200 last week).

An uptrend was also seen in masoor and its dal. Masoor (bold) in the local mandis was quoted at Rs 4,550-4,600; and masoor (Madhya Pradesh) at Rs 4,00-Rs 4,200. A rise in masoor also lifted its dal with masoor dal (average) on Wednesday quoted at Rs 5,100-5,125; masoor dal (medium) at Rs 5,200-5,225; while masoor dal (bold) was quoted at Rs 5,300-Rs 5,325. Tur and its dal ruled flat with tur (Maharashtra) being quoted at Rs 4,350; tur (Madhya Pradesh) ruled at Rs 3,850; while tur (lemon) was quoted at Rs 4,100. Amid rise in arrival of new tur, prices have gained Rs 200.

---

## **Edible oils gain on fresh physical demand**

Prices of edible oils improved on Wednesday as physical demand emerged and the futures market turned firm. About 950-100 tonnes of palmolein were sold by local refineries for delivery up to February 10.

Indigenous oils also gained on firm reports from producing centres. In Mumbai, groundnut and cotton refined oil increased by Rs 20 and Rs 10 each for 10 kg, following extended gains in the Saurashtra market. Soyabean refined oil was up by Rs 3.

In Rajkot, groundnut oil increased by Rs 25, taking the total rise to Rs 50 for 10 kg in the last four days. Tracking a firm trend, local stockists came forward with fresh orders and booked 950-100 tonnes of palmolein considering that prices ruled low. They hope that local demand will pick up soon for next month, sources said. Towards the day's close, Liberty quoted palmolein at Rs 570; super palmolein at Rs 592; super deluxe palmolein

at Rs 612; and soyabean refined oil at Rs 642. Ruchi quoted palmolein at Rs 569; soyabean refined oil at Rs 640; and sunflower refined oil at Rs 665. Allana quoted palmolein at Rs 568; soyabean refined oil at Rs 640; and sunflower refined oil at Rs 670.

At Rajkot, groundnut oil increased by Rs 30 to Rs 1,250 (Rs 1,220) for *telia* tin and loose (10 kgs) higher by Rs 25 to Rs 800 (Rs 775). Soyabeans arrivals were 1.35 lakh bags and prices in Maharashtra were Rs 3,550-3,625 and in Madhya Pradesh Rs 3,550-3,750 ex-Mandi and Rs 3,750-3,800 plant delivery. On the National Commodities and Derivatives Exchange, February contracts rose by Rs 6.85 to Rs 678.70 (Rs.671.85), March to Rs 672.80 (Rs 666.05) and April by Rs 3.95 to Rs 669.45 (Rs 665.50).

Malaysia crude palm oil February contracts settled higher at MYR 2,507 (MYR 2,472), March at MYR 2,524 (MYR 2493) and April at MYR 2,537 (MYR 2,506).

**The Bombay Commodity Exchange spot rates (Rs/10 kg) were:** Groundnut oil 800 (780), soya refined oil 638 (635), sunflower exp. ref. 610 (610), sunflower ref. 665 (670), rapeseed ref. oil 725 (725), rapeseed expeller ref. 695 (695) cottonseed ref. oil 615 (605) and palmolein 567 (568).

---

### Mixed trend in pepper futures; spot unchanged





Pepper prices were mixed trend on Wednesday with January contracts gaining on the National Multi Commodity Exchange and February contracts declining. Spot prices ruled unchanged.

A good quantity of MG 1 and farm grade pepper, released from warehouses after being cleared by the food safety authorities, was traded.

It is getting ready to be delivered. Investors quoted Rs 510 for MG 1 and Rs 505 for the farm grade on Wednesday. But buyers offered price lower by Rs 5/kg.

Some inter-State dealers bought new crop from the southern districts of Kerala at Rs 470-475/kg to be mixed with the old farm-grade pepper and sell it to upcountry buyers. Some 12 tonnes of fresh pepper were traded between Rs 488-508/kg on the spot. On the NMCE, January contracts increased by Rs 365 to Rs 51,765/quintal.

February contracts dropped by Rs 444/quintal to Rs 50,750/quintal.

Total turnover declined to 12 tonnes. Net open position dropped to 10 tonnes.

On the IPSTA, January contracts remained unchanged at Rs 49,000/quintal, while February contracts increased by Rs 1,000 to Rs 48,518. Spot prices remained unchanged at Rs 48,800 (ungarbled) and Rs 50,800 (garbled) on limited activities.

Export prices moved up to \$8,600 a tonne (c&f) Europe and \$8,850 a tonne (c&f) for the US.

However, an overseas report today said “the market is likely to firm up in Vietnam soon, as their selling pressure before Tet holidays seems to be waning.”

**Cogencis reports:** Among other spices, coriander futures ended 1-3 per cent higher, as spot prices rose on concerns over crop damage due to cold weather and fall in local supplies. Turmeric futures ended mixed, with the most active April contract marginally lower due to ample carryover stocks and sluggish export demand.

---

## Sugar futures up on hopes Govt will provide export sops

Sugar prices on the Vashi wholesale market ruled steady on Wednesday, while they increased by Rs 25-30 a quintal in the futures market on hopes that the Government will soon give incentives for raw sugar exports.

Activities were routine in the Vashi market due to need-based demand and ample supply from producers.

“As supply has been outstripping demand since the start of the season that began in November in the absence of exports and upcountry demand, prices have been declining since then. Prices have dropped by Rs 75-90 for S-grade and Rs 30-110 for M-grade,” an analyst told *Business Line*.

“World sugar prices are also ruling lower at \$425-430/tonne with a drop of \$25-30 this month, erasing chances of refined sugar exports from India. Last year’s heavy carryover stocks and higher production has forced millers to offload the commodity in the local markets and has kept prices under check,” the analyst said.

Tracking the global market trend, Indian producers also expect some incentives for raw sugar exports, the analyst said.

Arrivals on the Vashi market were 60-61 truckloads (100 bags), while local dispatches were 60-62 loads. In last two days, 19-20 mills offered tenders and sold 60,000-65,000 bags at Rs 2,610-2,700 (Rs 2,620-2,700) for S-grade; and Rs 2,720-2,880 (Rs 2,720-2,880) for M-grade. Old season stocks were sold at Rs 10-15 lower also.

On the National Commodities and Derivatives Exchange, February contracts were up by Rs 8 to Rs 2,751 (Rs 2,743); March by Rs 9 to Rs 2,762 (Rs 2,753) and April by Rs 11 to Rs 2,780 (Rs 2,769).

---

## Wheat may rule flat the next few days



Wheat futures may rule in a tight range, while dara wheat in the physical market is likely to rule flat in the coming days, according to market experts.

Satish Kumar, a commodity expert, told *Business Line* that since demand matched supply, prices were unchanged.

In the absence of major market moving factors, dara prices have been ruling steady since last weekend and may continue to rule around current levels for the next few days, too, he said.

After witnessing a fall last week, dara wheat was sold in the physical market at Rs 1,590-1,600 a quintal. Around 1,000 bags of wheat arrived and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,590 a quintal, while delivery at the chakki was at Rs 1,600 a quintal.

A positive trend was witnessed on the National Commodity and Derivatives Exchange. Wheat for January delivery moved up by Rs 2 to Rs 1,680 a quintal, with an open interest of 2,630 lots. The grain touched a low of Rs 1,678 a quintal earlier in the day.

February contracts improved by Re 1 to Rs 1,651 a quintal. In the spot market, wheat traded at Rs 1,560 a quintal.

According to market experts, the futures market has been ruling in a tight range and it may continue to witness a range-bound to steady movement in the coming days.

Flour continued to rule flat and was sold at Rs 1,850; choker was unchanged at Rs 1,475.

---

# Business Standard

## Govt clears export subsidy for raw sugar

### Amount not decided; aim to help mills reduce surplus

A Group of Ministers headed by Agriculture Minister Sharad Pawar on Thursday approved a cash incentive for export of four million tonnes of raw sugar for two years. The idea is to help mills reduce their surplus stock.

The amount of subsidy has not been decided. The ministry of food and consumer affairs will calculate and circulate a cabinet note on the subject. "We have decided to give incentives to promote raw sugar as a new product," Food Minister K V Thomas told reporters after the meeting.

The group was set up on the direction of Prime Minister Manmohan Singh. In 2007-08, a similar subsidy was given but for all kinds of sugar. This time, it is to be limited to raw sugar and to adjusting the difference between production cost and the international sale price.

Officials said the food ministry had proposed an incentive of Rs 2,390 a tonne on raw sugar, with the burden shared by the Centre and state governments; it would cost at least Rs 1,000 crore over two years. However, the panel is believed to have disfavoured this and asked for a reworking of the amount, they said.

The Indian Sugar Mills Association had suggested an incentive of Rs 3,500 a tonne, which would cost the exchequer Rs 1,400 crore. It noted the global price was Rs 22,500 a tonne, against the domestic production cost of Rs 26,500 a tonne, sources said. "The government should move fast in notifying the subsidy, as the sugar season will come to an end in two to three months," a sector official said. Mills are facing a cash crunch as prices have come below the cost of production, in view of surplus availability. They also have huge cane payment dues, projected to reach Rs 15,000 crore by the end of the 2013-14 sugar season in September.

---

## Late crushing keeps output down 21%

### **ISMA reports total sugar output at 8.55 mn tonnes as of Jan 15 this year**

Sugar output in India fell 21 per cent in the first eight weeks of the cane crushing season, due to unprecedented delay in starting of activity. A rift between the government and mills on cane prices delayed crushing by three weeks.

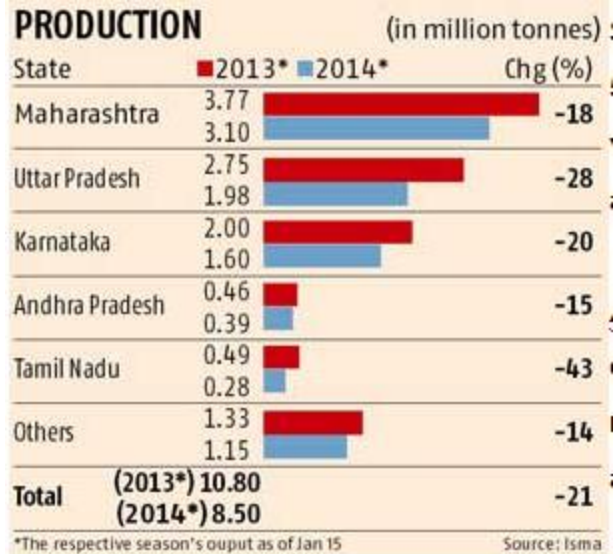
The Indian Sugar Mills Association (Isma) reported output at 8.5 million tonnes as of Wednesday, compared to 10.8 mt a year ago. In all, 505 mills had started crushing by Wednesday.

“Compared to last year, eight mills in Maharashtra and six in Tamil Nadu are yet to start operations,” said Isma.

Around 155 mills in Maharashtra have crushed 29.4 mt. Last year till date, 163 mills were operational and had crushed 35.7 mt, to produce 3.8 mt of sugar.

Till Wednesday, output in Maharashtra was reported at 3 mt, with a 10.5 per cent recovery from cane. Output in Uttar Pradesh was 2 mt, with 119 mills operating.

About 22.4 mt has been crushed, with 8.8 per cent of average recovery. Yields were lower as compared to last year but this could be compensated with higher reported sugar recoveries, about 0.04 per cent more than last year.



Sugar output in Karnataka was 1.6 mt, with 58 mills crushing. Last year till date, 56 mills were under operating and had produced about two mt of sugar.

Andhra's sugar output was 0.39 mt, after crushing 4.15 mt of cane, with 9.28 per cent recovery. In all, 33 mills are operational against 35 last year.

All India, mills have produced 0.55 mt of raw sugar. They reported 0.53 mt of both white and raw sugar between October and December 2013.

Isma has forecast a sugar output of 25 mt this year, almost similar to last year.

## Sugar up 0.4% on proposed incentives to sector

Commodity for delivery in January gained 0.18%



Sugar prices recovered by Rs 13 to trade at Rs 2,765 per quintal in futures trade today as speculators enlarged positions after incentives were proposed for the beleaguered sugar industry for exports of up to 40 lakh tonnes of raw sugar for two years.

Besides, a firming trend in the physical market supported the upside in the sweetener prices.

At the National Commodity and Derivatives Exchange, sugar for delivery in February declined by Rs 13, or 0.47%, to trade at Rs 2,765 per quintal with an open interest of 18,770 lots.

The sweetener for delivery in January also gained Rs five, or 0.18%, to Rs 2,830 per quintal, in an open interest of 9,380 lots.

Marketmen said rise in sugar futures prices were mostly attributed to the proposed incentives to the industry for exports of up to 40 lakh tonnes for two years.

---

### **Jeera up 0.4% on export demand**

**Analysts said fresh positions created by speculators driven by exports demand in the spot market mainly led to rise in jeera prices at futures trade**



Jeera prices rose by 0.40% to Rs 12592.50 per quintal in futures trading today as speculators indulged in creating fresh positions driven by exports demand in the spot



market.

At the National Commodity and Derivatives Exchange, jeera for delivery in March rose by Rs 50, or 0.40%, to Rs 12,592.50 per quintal with an open interest of 6,822 lots. In a similar fashion, the spice for delivery in April traded higher by the same margin to Rs 12,670 per quintal in 2,271 lots.

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

---

## **Coriander up 1.5% on strong demand**

### **Spice for delivery in February traded higher by 1.4%**



Supported by strong demand in the spot market, coriander extended gains for the second straight day as speculators enlarged positions.

At the National Commodity and Derivative Exchange, coriander for delivery in January gained Rs 123, or 1.55% to Rs 8042 per quintal with an open interest of 2,290 lots. Similarly, the spice for delivery in February traded higher by Rs 120, or 1.49% to Rs 8,193 per quintal in 30,730 lots.

Analysts said speculators enlarged positions supported by strong demand in the spot market against tight supplies due to restricted arrivals from producing regions, mainly supported the upside in coriander prices at futures trade.

---

## **Palm oil up 0.3% on rising demand**

**On the similar lines, the oil for delivery in January edged up by 0.3%**

Crude palm oil extended gains for the second day with prices rising 0.33% to Rs 539.70 per 10 kg in futures trading today as speculators enlarged their positions, tracking a firm trend at spot market on rising demand.

At the Multi Commodity Exchange, crude palm oil for delivery in February gained Rs 2, or 0.33% to Rs 539.70 per 10 kg in business turnover of 87 lots. On the similar lines, the oil for delivery in January edged up by Rs 1.60, or 0.30% to Rs 534.40 per 10 kg in 71 lots.

Analysts said persistent rise in crude palm oil at futures trade was mostly supported by speculators enlarging positions and a firm trend at spot market on rising demand.

---

## **Potato up 3% on strong demand**

**Commodity for delivery in March jumped 2.4%**



Potato prices surged 3% to Rs 1,006.10 per quintal in futures trade today as speculators enlarged positions amid strong demand in the spot market against tight supplies from producing regions.

At the Multi Commodity Exchange, potato for delivery in far-month April spurted by Rs 29.30, or 3% to Rs 1,006.10 per quintal in business turnover of 187 lots.

The potato for delivery in March jumped Rs 24.60, or 2.47% to Rs 1,022.10 per quintal in 615 lots.

Analysts said besides strong demand in the spot market, tight supplies from producing regions mainly pushed up potato prices at futures trade.

---

## **Chana down 0.4% on increased supply**

### **Commodity for delivery in January shed 0.1%**

Chana prices fell 0.42% to Rs 3,117 per quintal in futures market today as participants trimmed positions, triggered by increased supplies from producing regions against low demand.

At the National Commodity and Derivative Exchange, chana for delivery in February fell by Rs 13, or 0.42% to Rs 3,117 per quintal with an open interest of 82,880 lots. Likewise, the commodity for delivery in January shed Rs 3, or 0.10% to Rs 3,077 per quintal in 14,100 lots.

Analysts said participants trimmed positions, triggered by increased supplies from producing regions against low demand in the spot market that pulled down chana prices at futures trade.

---

## **Cardamom remains weak, down 0.21% on sluggish demand**

### **Higher arrivals from growing regions, stock pile-up drive down prices in futures trade**



Cardamom remained weak for the second day and prices fell 0.21 per cent to Rs 703.60 per kg in futures trading today owing to sluggish demand against adequate stocks position.

At the Multi Commodity Exchange, cardamom for delivery in February declined by Rs 1.50, or 0.21 per cent to Rs 703.60 per kg in business turnover of 132 lots. The March contract shed 20 paise, or 0.03 per cent to Rs 733.90 per kg in 52 lots.

Market analysts said sluggish demand in the spot market against adequate stocks position on higher supplies from growing regions mainly kept pressure on cardamom prices at futures trade.

---