

Govt slaps curbs on potato exports

After onions, the government on Thursday slapped a minimum export price (MEP) of \$ 450 per tonne on potatoes to increase domestic availability and cool prices. The Directorate General of Foreign Trade (DGFT) notification said “export of potatoes is permitted subject to MEP which come into immediate effect.” As part of efforts to rein in food prices, Finance Minister Arun Jaitley had announced that the government would impose export curbs in form of higher MEP on onion and potatoes. While the MEP on onion of \$300 per tonne was notified on June 17, the same on potatoes was announced today. Prices of potatoes have risen to about Rs 25-30 per kg in the national capital. Rising prices of essential food items pushed up wholesale price index based inflation to 5—month high of 6.01 % in May. - PTI

Workshop on goat farming

The Department of Plant Science, Bharathidasan University, and Saraswathi Foundation for Rural Development and Training will conduct a one-day national workshop on “Emerging Trends for Commercial Goat Farming” on July 5. Scientists from various centres of Tamil Nadu Veterinary and Animal Sciences University would be sharing their expertise on emerging trends in commercial goat breeding and rearing, and day-to-day problems faced by farmers and entrepreneurs, said V.M. Muthukumar, Vice Chancellor, BDU, in a statement. A visit to a goat farm would form part of the workshop. Interested persons could contact the co-organising secretary by email: sarasfound@gmail.com or phone at 9790020666 for further details.

Harnessing IT to help farmers reduce input costs and improve milk yield



Members of the Doddanallurahalli Milk Cooperative Society at Hoskote who are covered under the National Dairy Plan Phase I.

How much cattle feed and green grass should Ambika Rajashekhar, a dairy farmer at Doddanallurahalli in Hoskote taluk, give her two cows? The answer lies in the laptop of M. Kanthamma (42), a dairy farmer. The Information for Animal Production and Health (INAPH) software installed in the laptop of Ms. Kanthamma, a Local Resource Person (LRP), will calculate the exact need depending on the breed, age, weight, milk yield and other details of the cows. This scientific calculation, called Ration Balancing Programme, translates to reduced input costs and better quality milk yield. The Doddanallurahalli Milk Cooperative Society is covered under the National Dairy Plan I (2012- 2017) of the National Dairy Development Board (NDDB). This has meant harnessing information technology to address the problems of dairy farmers at the grassroots level. Ms. Kanthamma says proudly that people call her “cow doctor”.

She has so far covered 83 cows in her village under the programme and the input costs have gone down by about Rs. 5 per litre. Feed contributes to about 70 per cent of the total cost of milk production and reducing the cost of feeding makes a big difference. The net gain by the farmer is about Rs. 68 per animal per day. There are 137 LRPs operating in Bangalore Milk Union Limited (Bamul) alone, who undergo a 15-day training to use the software. In the neighbouring village of Ganagalu, it is the Data Processing Milk Collection Unit (DPMCU) installed by NDDDB in 2013 that has made a big difference to the 137 members of the milk society. The unit, which measures the quality of milk in a transparent manner and detects any adulteration, ensures that the farmer gets a fair price. Anjanappa (70), a dairy farmer, says that the new system is a blessing and he now earns over Rs. 23 per litre. Dairy farming is the lifeline in this dry region, adds Jayamma Bacchanna. NDDDB's project has not only provided a fair, transparent and quality-based procurement system, but also ensured regular payments once every fortnight. Extension officer Sriram K. says that installing of DPMCU at Ganagalu has increased procurement from 443 litres to 472 litres per day. The percentage of milk fat also increased from 3.8 to 4.1. The total outlay for Karnataka is Rs. 141.46 crore under NDP Phase I, covering Bangalore, Kolar, Mysore, Raichur, Bellary, Hassan, Mandya, Dakshina Kannada, Dharwad and Shimoga.

State increases target for horticulture crops

The State government has increased the target for the coverage under the Horticulture crops in Gulbarga district for the current year of 2014-15 to more than 24,170 hectares. Deputy Director of the Horticulture Department D.

Manjunath said that last year the department was successful in increasing the area under the Horticulture crop by 2760 hectares, including 2060 hectares under the National Micro Irrigation Programme, 400 hectares under the Mission for Integrated Development of Horticulture, and 300 hectares under the Comprehensive Horticulture Development programme. Mr. Manjunath said that this year more than 2600 hectares additional area would be brought under the horticulture crop. He said that the district has been allocated a sum of Rs. 17.95 crore under the National Micro Drip Irrigation Programme, Rs. 3.02 crore under the Mission for Integrated Development of Horticulture and Rs. 2.7 crore under the Comprehensive Horticulture Development programme. Under the Mission for Integrated Development of Horticulture, the government extended assistance to the farmers taking up cultivation of grapes ranging from more than Rs. 25,000 to Rs. 85,000 for planting 625 seedling to 3000 seedling in an area of one hectare. The assistance provided to cultivation of Banana ranged from Rs. 19,500 to Rs. 66,000 for planting 3000 to 4400 plants per hectare and for Papaya it ranged from Rs. 22,500 to 36,000 for planting 3000 to 4400 seedling per hectare. Similarly for pineapple an assistance ranging from Rs.26, 000 to Rs.1, 13,000 is provided for for planting more than 40,000 seedlings per hectare. For pomegranates, the mission provided assistance ranging from Rs.10, 800 to Rs 33,360 for planting 400 to 800 seedlings per hectare. An assistance ranging from Rs.9600 upto Rs.20, 600 for lemon and orange plantings is also provided, Mr. Manjunath said. The Department also encourages floriculture, assistance of Rs.40,000 and a hectare is given to small and marginal farmers for roses.

Contingency plan ready if monsoon fails

The Agriculture Department has decided to implement a contingency crop plan if the South West monsoon does not pick up by July 10, according to Minister of State for Agriculture Krishna Byre Gowda. Making a four-hour reply to the Legislative Assembly on Thursday to a discussion on grants for his department, the Minister said the contingency plan had been prepared by the department. Under such a plan, farmers would be advised to shift to short-term crops to minimise any losses due to the vagaries of monsoon, he noted. The Agriculture Department had stored adequate quantity of seeds of short-term crops, the Minister said. However, the department would wait till July 10 to see if the monsoon would gain strength, as per the advice of agricultural scientists.

Support price

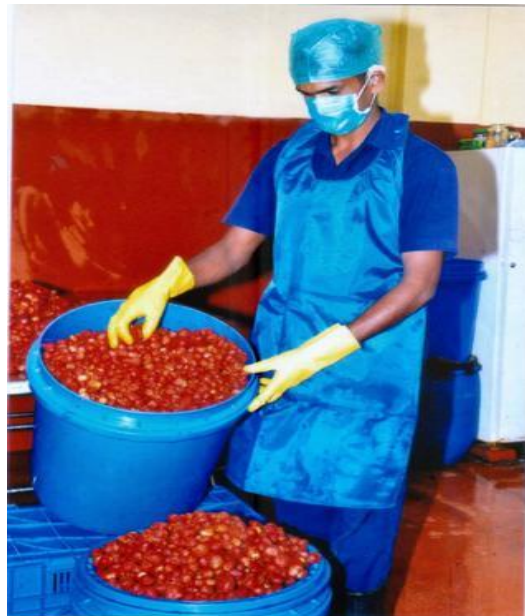
He said the government had decided to announce minimum support price for the State's staple crops of ragi and maize at the time of sowing itself, to encourage farmers to grow these crops. It would instil confidence in them that the government would buy their produce even if there is a price crash. He had discussed the issue with Ministers for Law and Marketing. The proposal would be taken up before the Cabinet in the next meeting, he noted.

DNA sequencing

He said that the government had also decided to get DNA sequencing of ragi and maize to improve the existing varieties. DNA sequencing would be done in a non-transgenic manner and the latest technology would be adopted through a foreign agency to complete the sequencing process in three to six months as against the

conventional method which requires three years. In addition, kits comprising quality seeds of ragi, maize and the nutrients required to support them would be distributed to farmers as part of the efforts to increase the cultivation of these nutrient-rich crops, he said. Stressing the need for adopting scientific methods of cultivation which takes into account soil health, he said the government was in the process of launching a Rs. 80-crore scheme to test 32 lakh soil samples with digital recording of data in three years. This would serve as a basis for scientists to plan agricultural activities in the State. Mr. Krishna Byre Gowda also presented the global and national scenario of agriculture, both from the historical and the modern perspectives, before touching upon the issue at the State-level.

Strawberry farming takes root



Strawberry is new to the orchards of Munnar. From there it is spreading fast to Vattavada and Kanthallur, the vegetable bowl of Kerala. The high-altitude climate is best suited for the fruit. Strawberry was first cultivated on an experimental

basis in the Kanan Devan Hills Plantations estate areas to provide additional income to workers in 2004. "When the strawberry processing unit was launched, the demand for the fruit went up. Strawberry jam had a good market," says Susan Cheriyan, coordinator, strawberry preserve unit, Munnar. Now, the unit takes strawberries from workers and farmers daily. Bharathan, a farmer in Vattavada, who cultivates strawberry on his 1.5-acre plot, says he supplies 25 kg on an average each day to the company. "It is organically cultivated," he says adding that he gets, on an average, Rs.90 per kg. Tourists buy strawberries from the farm at Rs.200 a kg. He started strawberry cultivation using plants given by the Krishi Bhavan. "One has to give great care to strawberry plants. Regular watering and timely application of manure, especially cow dung, are required," he says. "Estate workers were initially attracted to strawberry cultivation as it gave them an additional income," Ms. Cheriyan says. There are quality specifications which focuses on organic cultivation and clean harvest. The main varieties grown in Devikulam taluk are Winter Dawn and Sweet Charlie," she says. The State Horticulture Mission is promoting cultivation of the fruit. The Munnar grama panchayat started a processing unit for strawberry four years ago, sources say. "There is huge demand for the jam from the resorts here," Munnar grama panchayat president M. Manimozhy says. The panchayat is promoting strawberry cultivation. More farmers are now cultivating it as an additional income source, she adds.

Solar fencing to keep off wild animals



Cages have been placed at areas where leopards are known to frequent. —File Photo

The State government plans to erect solar fencing to keep wild animals away from human habitations, particularly around the Western Ghats. This has been found necessary given the increase in the number of leopards and elephants straying into human habitations around the Nagarahole and the Bandipur tiger reserves. Minister for Forests, Environment and Ecology B. Ramanath Rai told the Legislative Council on Wednesday that solar fencing and barricading work will be carried out and Rs. 212 crore is being provided for it. The department will also be recruiting personnel to address the staff shortage. Replying to a question of B. Ramakrishna (JD-S), he said Mandya, Malavalli, Srirangapatna, Nagamangala and K.R. Pet are the areas where leopards are straying into human habitations. “I have had a meeting with the zonal forest officers. Cages have been placed at the areas where leopards are known to frequent, to trap them. Patrolling has been stepped up and camera traps have also been installed.” Stressing the need to train staff, he said personnel from the special

task force (STF) at Bandipur have been posted to Mandya to trap leopards which have been straying into human settlements. The work is being done with the support of the local people and non-governmental organisations.

Chennai - INDIA

Today's Weather



Sunny

Friday, Jun 27

Max Min

34° | 29°

Rain: 0

Sunrise: 05:44

Humidity: 67

Sunset: 06:38

Wind: normal

Barometer: 1007

Tomorrow's Forecast



Partly Cloudy

Saturday, Jun 28

Max Min

38° | 30°

Extended Forecast for a week

Sunday

Jun 29



39° | 30°

Cloudy

Monday

Jun 30



36° | 30°

Cloudy

Tuesday

Jul 1



37° | 30°

Partly Cloudy

Wednesday

Jul 2



37° | 30°

Partly Cloudy

Thursday

Jul 3



38° | 29°

Cloudy

Airport Weather

Chennai

Delhi

Rain: 0

Sunrise: 05:25

Humidity: 59

Sunset: 07:22

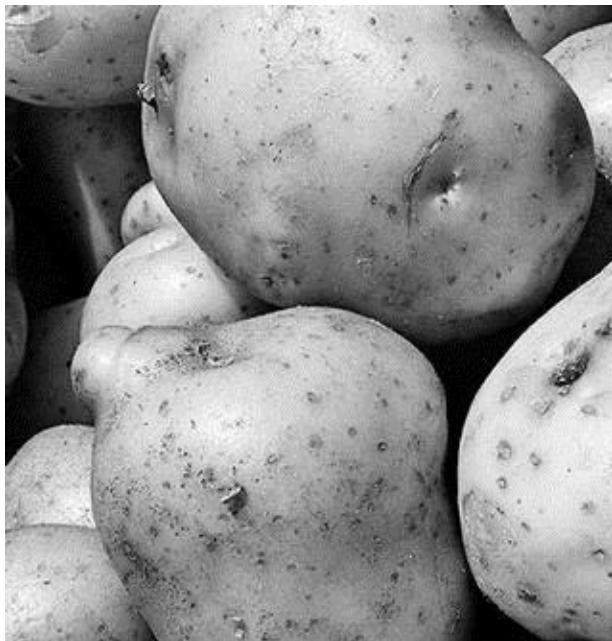
Wind: normal

Barometer: 1006



Govt imposes \$450/tonne MEP on potato

Move aimed at preventing shortage in domestic market, checking prices



New Delhi :

The Government has imposed a minimum export price of \$450/tonne on potatoes to prevent shortage in the domestic market and tame rising prices. Exporters will not be allowed to ship out consignments of potatoes, both fresh and frozen, priced below \$450 with immediate effect, according to a notification by the Directorate General of Foreign Trade issued on Thursday. This follows similar restrictions imposed on onion exports last week. The DGFT had fixed an MEP of \$300 on onions. With rising food inflation, Finance Minister Arun Jaitley had announced the Government's plans of checking prices earlier this month which included imposition of MEPs on both potatoes and onions. Increase in

prices of fruits and vegetables pushed up wholesale price index (WPI) based inflation to a five-month high of 6.01 per cent in May this year. In May, there has been an increase of 40 per cent in the wholesale price of potatoes as compared to their prices in March, 2014. In the same period, the retail price of potato has increased by 30 per cent. Prices have risen to about Rs.25-30 a kg of potato in the national capital. The potato crop is estimated to be lower by 13 per cent compared to the previous year as hailstorm and unseasonal rainfall destroyed crops in several parts of the country. Last year, India produced 46.3 tonnes of potatoes. Annually about one lakh tonne of potatoes are exported from the country. With the West Bengal Government stating that it would impose a ban on potato sale to other States if prices do not cool by July 8, prices may spiral in other Eastern and North-Eastern States. The Centre has also asked State Governments to take strong measures to check hoarding of vegetables which is playing a big role in creating shortages and pumping up prices. Jaitley has called a meeting of all state consumer affairs ministers next week to discuss ways to bring down food prices. Food and consumer affairs minister Ram Vilas Paswan will also attend the meeting.

Introduce GM soyabean to improve production, edible oil industry tells Government

Bangalore :

Making a strong pitch for boosting domestic oilseeds output to cut growing dependence on imports, the solvent extraction industry has urged the Centre to strengthen and revive the Technology Mission on Oilseeds, Pulses and Maize encourage private players in extension and declare oil palm as plantation crop. In a presentation made to the Agriculture Minister Radha Mohan Singh recently, the Solvent Extractors Association of India, the apex body of vegetable oil industry and trade, urged the Government to focus on improving oilseed productivity,

which currently is almost half the world average. The association said that due to the excellent policy initiatives taken by the technology mission, the country's self-sufficiency in oilseed production had touched a high of 97 per cent during 1992-93. But in recent years, the mission has lost its importance and is no longer a nodal agency for policy decisions of the edible oil sector. The solvent extractors' body also suggested that the Government consider exploring the possibility of introducing the genetically modified soyabean in the country to enhance output and productivity. "If we really want the oilseed production to go up and reduce our import dependence to 15-20 per cent from the current level of 55 per cent, we need to strengthen the technology mission in a way that its original position is restored," SEA said, while seeking sufficient funds for edible oil and oilseed development programmes. With oilseeds and pulses in short supplies, the country is forced to import over 10 million tonnes of edible oils and about 3 million tonnes of pulses to meet the growing demand. The Government should consider setting up separate ministry, like in Malaysia, to focus on production and productivity of oilseeds and pulses. Also, it suggested that price sensitive items of mass consumption such as edible oils, oilseeds and oilmeals should either be exempted wholly or taxed at lowest slab rate .

Chennai to host global meet on wheat in September

Chennai :

The 7th International Seminar on wheat and wheat products will be held in Chennai during September 2-3. The seminar, which will primarily discuss on new technologies and marketing opportunities, will cover 22 themes over four sessions with about 30 experts of national and international reputation sharing their views. Global wheat production and trade will be one of the highlights of the seminar, which will also discuss on milling and baking technologies and the role

of wheat in sustainability of the food system. Initiated by the Wheat Products Promotion Society, the seminar is co-sponsored by Roller Flour Millers' Federation of India, Tamil Nadu Roller Flour Manufacturers' Association, All India Bread Manufacturers' Association and Society of Indian Bakers. About 300 participants are expected to take part in the seminar.

How Farm Ministry is controlling wheat pests

No variety should be grown in more than 15% of the total area under the cereal



Chennai :

As part of its efforts to tackle pests and diseases in wheat, the Indian Council for Agricultural Research, an arm of the Agricultural Ministry, is trying to ensure that no particular variety of wheat is grown in more than 15 per cent of the total area under the cereal. "We are growing various types of wheat in the country depending on regions and climate. You have one particular variety in Punjab, another one in Madhya Pradesh or Rajasthan. This has been done to overcome the threat of diseases such as Karnal bunt or rusts or smuts," said Indu Sharma, Project Director, Directorate of Wheat Research in Karnal, Haryana.

Wheat for paranthas

Such diseases not only affect production but also exports as some countries are cautious to ensure such pathogens don't enter their shores. For example, Iran had banned Indian wheat between 1996 and 2012 after an outbreak of Karnal bunt, a fungal disease first traced in India in 1931. Indu Sharma was here in

connection with a curtain raiser programme for the 7th International Seminar on Wheat and Wheat Products. She was also responding to a plea from the milling industry for developing wheat to produce flour for making *paranthas* .

Grain from Australia

According to KSK Kannan, Managing Director of Naga Ltd, the milling industry has to import the wheat from Australia to produce flour for making *paranthas* . Naga Ltd imports some 500-600 tonnes of wheat for this purpose. “We have to pay a premium for this wheat. We are willing to fund research on such a variety since it can cut our costs,” Kannan said. At one point of time, the PWP 334, propagated by World Food Prize 2014 winner Sanjaya Rajaram, was the wheat variety that was mainly grown in India. But India has come a long way to the current situation of growing many varieties.

Production

This is also a strategy to achieve the target of producing 120 million tonnes of wheat by 2020. “We should have produced 100 million tonnes of wheat this year. We had expected to reach the mark since the output has been hovering between 90 and 95 million tonnes. But untimely rains affected the crop,” Indu Sharma said. This year, production is estimated at 95.85 million tonnes against 92.50 million tonnes last year. Asked if production could top 100 million tonnes next year, she said it was possible provided every thing goes right. To a question whether El Nino would have any effect on the next year’s wheat crop, she said it was too early to make any projection. “If there is a prolonged dry period, then, we could have problem. But a majority of the area under wheat is rain-fed,” she said.

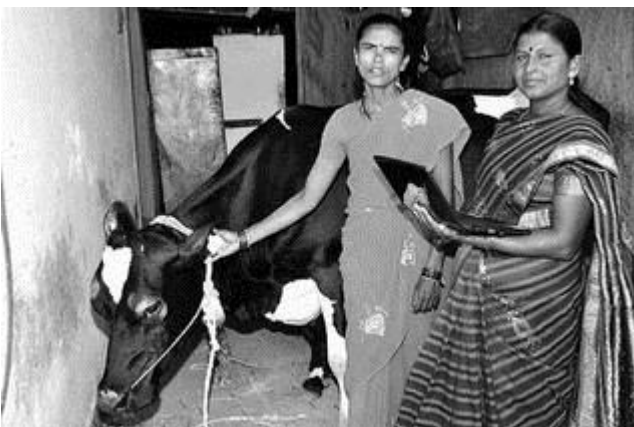
Monsoon woes

The India Meteorology Department (IMD) has predicted a 70 per cent possibility of El Nino, which results in warming up of the sea surface temperature leading to drought in the Asia-Pacific region, this year. Weather experts have predicted that El Nino is likely to set in after August. On the other hand, the monsoon, which set in almost a week late, has been slow in its progress across the country. Most parts are yet to be covered and the monsoon has become dormant. However, it is expected to reactivate next week.

Rainfall deficit

Rainfall deficit during the current monsoon till June 25 was 40 per cent. Indu Sharma also told the industry that the ICAR is willing to work with the industry to find a solution to the problems on yield or quality. NL Mehta, Senior Vice-President, All India Bread Manufacturers Association, said India has scope to export wheat products such as rusks and cookies.

Even cows need a dietician



Rationing feed Munirathamma, a dairy farmer at Doddanallurahalli, displaying the tag sported by her cow under the NDDB's Ration Balancing Programme. Kanthamma, the local cow dietician, is with her.

Bangalore :

For Mangala Shivakumar, a typical small dairy farmer who owns two cows at Doddalanurhalli near Bangalore, the interventions made by the National Dairy Development Board (NDDB) through the ongoing National Dairy Project (NDP) are beginning to make a difference. So also is the case with Munirathamma, another dairy farmer in the same village. They are not only able to get more milk from their cows, but also have reduced spending on the cattle feed. Enlisted under the Ration Balancing Programme (RBP), one of the major components of NDP, these farmers are advised by NDDB-trained local resource persons (LRPs) or 'cow dieticians' on the quantum, type of feed on a monthly basis, depending on the animal's health condition. Each animal enrolled under RBP is tagged and details relating to the animal's weight and health are captured by the LRPs on their laptops and transmitted real time to the central server at NDDB headquarters in Anand. The diet advisory for each animal is generated using the software INAPH – Information Network for Animal Productivity and Health, developed by Infosys Technologies for NDDB. "Earlier, we used to over feed the animals assuming that the more they are fed, they will yield more milk. After being enrolled under RBP, the feed that we provide is balanced and includes minerals. The quantum of feed has come down. We are able to save by Rs. 50-60 per animal per day, through the reduced and balanced ration, while the milk yield per cow has gone up by 500 ml. Also the fat content in the milk has improved," Mangala adds. Kanthamma, an LRP at Doddalanurhalli where 82 animals are enrolled under RBP, says feed accounts for 70 per cent of the milk production costs. RBP has created awareness among select farmers on scientific animal feeding. "Other farmers in the village also want a diet chart created for their animals," Kanthamma adds.

RBP, which helps farmers improve efficiency of utilisation of existing feed resources for boosting milk production, is being implemented in about 174 villages in Karnataka mainly in Bangalore and Kolar Milk Union areas covering some 7,000 animals. “We are planning to take this project forward to all project areas under NDP and are in talks with the States/milk unions in this regard,” said T Nanda Kumar, Chairman, NDDDB. The milk yields per cow have gone up from 300 ml to two litres a day in various States and also the fat content has gone up benefiting the farmers, he said.

The NDP, being implemented in 14 States by NDDDB, seeks to augment milk production in the country by improving productivity of milch animals and providing rural milk producers greater access to the organised milk processing sector. The demand for milk is projected to rise 7 per cent by 2020 to around 200 million tonnes from the current 140 mt.

Minor revival in monsoon seen aiding east, central parts

Thiruvananthapuram :

A minor revival in the monsoon is expected to bring the rains afresh into East and adjoining Central India, parts of the South, the West Coast and East Coast next week. The causative upper air cyclonic circulation has shifted to base to North Bay of Bengal; its graduation to a low-pressure area also is expected in good time.

‘Low’ outlook

The European Centre for Medium-Range Weather Forecasts has on Thursday persisted with the outlook for a ‘low’ straggled over land and sea around the Head Bay. The ‘low’ is likely to get embedded into the land-based trough linking North-West India with East-Central Bay as observed on Thursday. According to a

four-day India Met Department outlook valid from Sunday, rain or thundershowers would occur at most places over North-Eastern States, Sub-Himalayan West Bengal and Sikkim. Alongside, a wet spell would be initiated over the West Coast with many places expected to slip under it. A few places along the East Coast and the rest of Peninsular India too would benefit.

Increase in rain

Importantly, the Met has predicted an increase in rain activity over western Himalayan region and Uttar Pradesh. Thundershowers have been forecast at isolated places over rest of the country outside Rajasthan where weather may be mainly dry, it said. According to the US Climate Prediction Centre, the week from July 3-9 will witness reasonably good rainfall all across the eastern half of the country. This will cover east Uttar Pradesh, whole of Bihar, Jharkhand, Chhattisgarh, West Bengal, Odisha, coastal Andhra Pradesh, Vidarbha and the entire North-East.

West coast

Fresh spurt of rains will enter most of the West Coast, with rains expected to be particularly heavy over Konkan, Goa, coastal Karnataka and north Kerala. But the rest of Central India, West and North-West India will continue to go without any major rain. Meanwhile, on Thursday, a combination of atmospheric features involving a fresh western disturbance and feeble easterly winds triggered thunderstorms extensively over North, North-West and East India. Thunderstorms rolled out variously across Jammu and Kashmir, Himachal Pradesh, Haryana, Delhi, Punjab, east Madhya Pradesh, coastal Andhra Pradesh, Uttarakhand, north Rajasthan, east Uttar Pradesh, Bihar, Chhattisgarh, Jharkhand and Vidarbha. The Met has forecast isolated heavy to very heavy

rainfall over Assam, Meghalaya, Gangetic West Bengal, Odisha and north Coastal Andhra Pradesh for next two days.

Guar price could perk up on demand from shale gas sector



Lucrative option

Year	Prices (Rs/Qt)	Export (000MT)	Shale Gas(t)
2014	8832	959	8.66
2015	10111	978	8.85
2020	11729	1192	11.05

Notes: (I) Shale gas estimates have been obtained from US Energy Information Administration
 (II) Production has been assumed to increase at a CAGR of 5.75 %
 (III) Export and Price estimates have been worked by authors

Cultivation of crop under rain-fed conditions and limited area could lead to volatility in market

India is the largest producer of guar and accounts for about 80 per cent of the total global guar production. The unique binding, thickening and emulsifying quality of guar gum powder obtained from guarseed has made it a much sought after product in the international market. Guar now accounts for around 18 per cent of India's total agricultural exports(DGCIS & APEDA, 2012-13). The US is the largest producer of shale gas with a huge reservoir of around 665 trillion cubic feet (Energy Information Administration estimates). In recent years, production of shale gas has increased manifold in the US. There has been an increase of around 2.6 times over a period of three years. The growth of shale

gas industry in US at such a pace, presence of other major players such as Canada and expansion of shale gas extraction to new territories like China and Russia is poised to increase the demand for guar.

Fast hydrated gum (FHG)

The use of fast hydrated gum as a key ingredient in the process of fracking has helped consolidate the demand of guar in the international market. During the process of fracking, a lot of toxic chemical and gases come out from the system and contaminates ground water. The concentration of methane has been reported to be 17 times higher in ground water wells near fracturing sites than in normal wells. Only 30-50 per cent of the fracturing fluid is recovered and rest of the toxic fluid is left in the ground which is not bio-degradable. This creates tremendous scope and utility for the environment-friendly bio-degradable guar gum powder in the process of fracking.

Impact on Price

The increased demand is certainly going to have an escalating impact on the prices of guar. The cultivation of crop mainly under rain-fed conditions and confined largely to limited geographical area may also lead to great uncertainty and volatility in prices. An attempt has been made to estimate the prices and demand of guar in the light of expansion of shale gas industry. More than 85 per cent of the total variation in the export demand of guar is explained by shale gas production which is significant at one per cent level. Guar prices in 2014-15 and 2015-16 are expected to rule high based on the expanding demand from the shale gas industry. Prices are expected to rule high even when it is assumed that the production of the guar crop in the country will increase some 6 per cent annually. Prices are expected to touch Rs. 10,111/quintal in 2015 and could rise

up to Rs. 11,729 in 2020 on increasing demand from shale industry as seen in the accompanying table.

Implication on value chain

The high prices of guar riding on the demand for the crop from fracking industry would make the crop lucrative for the various players involved in the entire value chain, mainly producers. But it will also offer the challenge to the industry to ensure consistent supply of the crop at competitive price. Failure of the value chain to meet these challenges may force the fracking industry to search vigorously for alternatives. Bio-degradable alternatives to guar gum are already being explored by the industry. In order to remain competitive, the producers and other players have to ensure consistent supply, stable prices and quality. The writers are with the National Institute of Agricultural Marketing, Jaipur

Buy MCX-crude oil on declines

BL Research Bureau:

The crude oil futures contract traded on the Multi Commodity Exchange is in a sideways consolidation phase, hovering between Rs. 6,318 and Rs. 6,500 a barrel. A break out on either side of this range will decide the ensuing trend. Given the ongoing unrest in Iraq, the downside is limited. The bias is towards a bullish breakout. There is a high probability for the MCX-crude oil contract to breach Rs. 6,500 in the coming days. Such a break out can target Rs. 6,550 immediately and Rs. 6,700 subsequently in the coming weeks. Short-term traders can play the current trend by buying on declines. Long position can be initiated at Rs. 6,350 with a stop-loss at Rs. 6,280 for the target of Rs. 6,480. Alternatively, traders can also go long if the contract breaches Rs. 6,500 with a stop-loss at Rs. 6,460 for the target of Rs. 6,620.

MCX-Natural Gas: The MCX-natural gas futures contract found support near its 200-day moving average this week and bounced back. The daily chart suggests that there is a probability for the current up move to extend further to Rs. 283 per mmBtu – the 100-day moving average. But the weekly chart indicates that a rally to Rs. 283 can trigger fresh selling interest in the contract. Hence going long at current levels, to catch the expected rally to Rs. 283 could be risky. Traders can stay on the sidelines and wait for a clear trading signal to emerge in the contract. Note: The recommendations are based on technical analysis. There is a risk of loss in trading.

Business Standard

Vegetable supplies decline, prices rise

Prices increase 6-7% in Mumbai region in a week as supply dips by a tenth in recent days

With lower rainfall this season, vegetable supply has started showing a gloomy picture. Supply has declined by a tenth in recent days at Navi Mumbai's Vashi Agricultural Produce Marketing Committee (APMC) yards; also prices are up six to seven per cent in a week. Against the normal supply of 1,800 tonnes, equivalent to total consumption in Mumbai and surrounding regions, it has been 1,600 tonnes in the past three days. This has led to a rise in prices of most vegetables by Rs 2-4 a kg since Monday. The scene is not different in most major mandis, say experts here. The Nashik and Pune agricultural belts account for up to 80 per cent of vegetable supply to APMCs here; the rest comes from other states. The latter has been interrupted, with each state focusing on first satisfying local supply. "The scenario is going to worsen in the coming weeks in case the monsoon continues to remain erratic or distribution of rainfalls goes

uneven. Vegetable prices will shoot up,” said a senior official of the Vashi APMC. “Farmers are anxiously awaiting rainfall, already delayed by over two weeks. In case of further delay and deficiency, vegetable supply will reduce steeply,” said Sanjay Bhujbal, a stockist at Vashi. With four per cent weightage in the wholesale price index (WPI), fruits and vegetables played spoilsport in May, with the rate of inflation hitting a nine-month high of 6.01 per cent, against 5.20 per cent in April. The government of Maharashtra has cut water supply connections from dams and rivers to vegetable farmers in the past 10 days, to divert water for drinking purposes. As a result, harvesting is being delayed of summer-sown vegetable crops. Nor will there be sowing of fresh crops in rain-fed areas until the monsoon rainfall resumes. Palm Oil prices may rise marginally if rain delays due to El Nino

Prices in Kuala Lumpur have retreated from an 18-month high in March to 2,506 ringgit currently

Palm oil prices are likely to rise by 12% to 2,800 ringgit (\$870) a metric ton in next six months amid forecasts for the El Nino that often roils global agriculture markets, said Dorab Mistry, who heads the vegetable oil trading arm at India's Godrej Industries in his presentations for the conference. He was addressing an even organized by the Malaysian Palm oil council here today. Mistry however scaled back his earlier said forecast of 3,500 ringgit level as Bio fuel demand is not so strong. Prices in Kuala Lumpur have retreated from an 18-month high in March to 2506 ringgit currently as rising output from Indonesia and Malaysia, the largest producers, add to record global cooking oil supplies. The failure of Indonesia and Malaysia to absorb additional quantities of biodiesel has disappointed palm oil prices, Mistry said. "Production of palm oil has been better than expected since February," Mistry said remarked. "If the El Nino turns out to

be mild and delayed, as many weathermen are predicting of late, palm oil production will turn out to be better than my earlier estimates." Production Forecast. Indonesia may produce 30.5 million tons or more this year while Malaysia's output will total 19.7 million to 19.9 million tons, more than the March forecast of as much as 19.7 million tons, said Mistry, who's traded vegetable oils for more than three decades. The two Southeast Asian producers together account for about 86% of world supplies. He said his price outlook is based on the assumption that Brent crude oil will trade in a range of \$100-\$120 a barrel. Palm has become far too dependent on biodiesel demand and that is an unreliable, opportunistic and sporadic market. Palm's rally in March, caused by a dry period in Southeast Asia in February, reduced its appeal as a feedstock for biodiesel and discouraged its use in Indonesia, Mistry said. The country's use of palm biodiesel in the first five months of this year is roughly the same as in the same period a year earlier, and full-year consumption will not increase, he said. "We are told this is due to a lack of infrastructure for blending and handling," Mistry said. "While this may be one reason, the real reason could be the high price of CPO and the lack of competitiveness of biodiesel in 2014." Global demand for vegetable oils may grow by 5 million tons, including 1.5 million tons for biodiesel, while total supply will expand by 6.8 million tons in the 2013-2014 marketing year, Mistry said.

India may raise duties

India, the world's largest palm oil buyer, may raise the import duty on refined oils around September to put its refining and oleochemical industries on a level playing field, said Mistry. Palm oil has been losing market share in India with imports of soybean and sunflower oils rising in May, data from the Solvent Extractors' Association of India show. Sugar down 0.6% on profit-booking

Commodity for delivery in August also traded lower by 0.48%

Snapping its two-day rising streak, sugar prices fell by 0.58% to Rs 3,110 per quintal in futures trade today as speculators locked-in gains at prevailing higher levels. In addition, stabilising prices at the wholesale markets, following pick-up in supplies also influenced the prices of the sweetener. At the National Commodity and Derivatives Exchange, sugar for delivery in July eased by Rs 18, or 0.58%, to Rs 3,110 per quintal with an open interest of 29,290 lots. The sweetener for delivery in August also traded lower by Rs 15, or 0.48%, to Rs 3,140 per quintal in 27,610 lots. Analysts said apart from profit-booking by speculators on recent gains after the government announced a slew of measures, increased arrivals at the wholesale markets in the capital, put pressure on sugar prices in futures trade. They said, however, summer season demand from bulk consumers, capped the losses. Meanwhile, the government earlier this week decided to hike the import duty on sugar to 40% and provide an additional interest-free loan of up to Rs 4,400 crore to sugar mills to enable the cash-starved industry pay their huge arrears to cane farmers. Besides, export subsidy will be extended till September this year to give relief to the sugar industry, which owes Rs 11,000 crore to cane growers, largely from Uttar Pradesh. Cardamom up 0.6% on spot demand, tight supply

Spice for delivery in August gained 0.52%

Supported by strong domestic and export demand, cardamom prices traded 0.56% higher to Rs 945.10 per kg in futures trade today as speculators enlarged positions. Besides, tight supplies from producing regions influenced cardamom prices. At the Multi Commodity Exchange, cardamom for delivery in July rose by Rs 5.30, or 0.56%, to Rs 945.10 per kg in a business turnover of 570 lots. Similarly, the spice for delivery in August gained Rs 4.80, or 0.52%, to Rs 919.80 per kg in 116 lots. Analysts said apart from strong domestic and export demand in the spot market, tight supplies from producing belts mainly led to the rise in cardamom prices in futures trade here.