THE HINDU

Bangladesh not to lift ban on export of hilsa fish

Bangladesh on Wednesday said it has no immediate plans to lift the ban imposed in 2012 on the export of hilsa to ensure a smooth supply of the silver delicacy in local markets.

“How much we get from export of hilsa fish? We do not have any immediate plan to resume hilsa export,” state-run BSS news agency quoted Commerce Minister Tofail Ahmed as saying.

He said the ban on the fish, declared the national fish of Bangladesh upon the country gaining independence in 1971, was needed to ensure supply to local markets and check its prices.

Mr. Ahmed’s comments came despite continued lobbying by Indian businesses for resuming the export in view of its high demand from India particularly in West Bengal.

Bangladesh had launched a campaign to protect its most precious but dwindling aqua resource several years ago and slapped a ban on export of hilsa for an indefinite period in July 2012, straining its ties with India and oil-rich Middle Eastern countries.

Officials said the campaign yielded results as fisheries department data showed an increase in its catch in the last fiscal at 3,91,000 tonnes.

From 1983 to 1999, the average catch of hilsa was 2,11,000 tonnes per year, according to official data.

But since early 1980s its availability continued to decline in inland rivers which experts said was caused by morphological changes, pollution and human intervention.

Students visit Plant Quarantine Station

Students of B.S. (Agribusiness Management) of Tamil Nadu Agricultural University visiting the Plant Quarantine Station in Air Cargo Complex at the Coimbatore Airport on Wednesday.— Photo: M.Periasamy

The Plant Quarantine Station here is not only proving to be of major benefit for the exporters of agricultural produce but is also making significant contribution in educating students and helping them become entrepreneurs. For, the Station gave a glimpse of the intricate process involved in exporting agricultural products to a group of 33 students of B.S. (Agribusiness Management) of Tamil Nadu Agricultural University (TNAU) here on Wednesday.

They had the rare opportunity of getting hands-on experience in testing flowers, vegetables and other agriculture produce for the presence of unwanted substances.

G.S. Giri, Plant Protection Officer, says the Station provides certification as per the stringent international standards necessary for sending agriculture produce to markets such as the European Union.

Located at the Air Cargo Complex of the Coimbatore International Airport, it plays a vital role in exports as it has to issue a phytosanitary certificate attesting that the consignment, meant for exports, is free of pest, diseases and bacteria.

The officer also explained to the students the various regulation covering the export and import of agricultural products.

N. Ajjan, Professor, Department of Agricultural and Rural Management, TNAU, says this will be a valuable experience for the students who have to know the logistics involved in agri-business.

“This knowledge will prove very useful when they start business ventures. Apart from this visit, the university also takes them to other agencies involved in export such as the Directorate-General of Foreign Trade, Export Credit Guarantee Corporation of India, banks, export inspection agencies and other laboratories,” he adds.

The Plant Quarantine Station comes under the Directorate of Plant Protection, Quarantine and Storage in the Department of Agriculture and Cooperation, Union Agriculture Ministry.

Salvaging coconut trees after Thane

Coconut production area has increased by 123 hectares

ravaged badly:Coconut trees that were damaged by the cyclonic storm Thane, in Puducherry in 2012. —file Photo

After the cyclone Thane, Puducherry lost close to 50 per cent of all its coconut trees, which meant that coconuts had to be imported in large numbers, increasing the price of coconuts and coconut-related products. The Department of Agriculture has since taken up a number of Centrally sponsored schemes to help increase the number of trees in the Union Territory.

Through their efforts, they have managed to increase the area of coconut production by 123 hectares since 2011. There has also been an increase in the number of farmers from 810 to 840 in the same period, a senior official from the Department of Agriculture said.

Initiatives

As part of their initiatives, the Department is providing subsidy for demonstration plots with Rs. 8,000 subsidy per hectare in two instalments.

In addition, they have also started encouraging Rs. 35,000 subsidy per hectare for integrated farming, which has been given to 30 farmers. There is also a third subsidy of Rs. 20,000 per unit to set up organic manure plants, the official said.

Through these initiatives, the production of coconuts in the Union Territory (UT) has increased by around 20lakh nuts from 2011-12 to 2012-13. The average production in Puducherry is over 14,000 nuts per hectare.

According to data available with the National Coconut Development Board, Puducherry has the fourth highest productivity per hectare of coconut trees in the entire country.

The National average for production of nuts per hectare is around 11,000 nuts, but in the Union Territory, the productivity is 14,800 per hectare, the official said.

This is because the Union Territory has been concentrating on commercial production of nuts. Through the department, there is also a concentration on biopesticides.

The Department has been distributing pheromone traps to the coconut farmers to control red palm weevils and rhinoceros beetle.

For pest control

They have also been distributing Baveria pesticide to control pests and also Metarezium that works against red palm weevils, the official said.

On March 8, the National Coconut Development Board is conducting their 117{+t}{+h}annual meeting.

At the meet that will be held in Puducherry officials from different states will discuss the development of coconut farming in their areas, the official said.

- ***Department of Agriculture has since then taken up a number of centrally sponsored schemes***
- ***There is an increase in number of farmers from 810 to 840 since 2011***

Seemai Karuvai being uprooted

Ambitious project launched in Ramanathapuram district

Sugam Trust and Research Centre, which promotes greenery and cultivation of medicinal plants, has launched ‘Root out Seemai Karuvai and root in herbs and trees,’ a project to free the drought-prone district from Prosopis juliflora (Seemai Karuvai or Kattu Karuvai). Collector K. Nanthakumar, in the presence of Superintendent of Police N.M. Mylvahanan, inaugurated the project.

Water level at Mettur

The water level in the Mettur dam stood at 49.31 feet on Wednesday against its full reservoir level of 120 feet. The inflow was 806 cusecs and the discharge 1,000 cusecs.

Water level

Water level in the Papanasam dam on Wednesday stood at 50 feet (maximum level is 143 feet).

The dam had an inflow of 296.64 cusecs and no water is discharged from the dam. The level of Manimuthar dam stood at 72.50 feet (118 feet).

The dam had an inflow of 59 cusecs and no water is discharged.

Kanyakumari

The level in the Pechipparai dam stood at 8.90 feet, while it was 38.35feet in Perunchani, 3.31 feet in Chittar 1, 3.41 feet in Chittar 11, 3.50 feet in Poigai and 42.44 feet in Mamabazathuraiyaru.

Rain lashes parts of Tuticorin

WELCOME SHOWER:Motorists caught unaware by the sudden rain in Tuticorin on Wednesday.— Photo: N. Rajesh

Rain lashed various parts of Tuticorin in morning hours on Wednesday. Low-lying areas and roads were inundated with rainwater. Traffic was badly affected at peak hours following the showers. A stretch of Devarpuram road, which is leading to Tiruchendur, was battered owing to water stagnation and many vehicle users tended to skid at the dangerous stretch.

But the unexpected rains in Srivaikuntam, which recorded 49 mm of rainfall, had slowed down the harvesting of paddy. Besides, Srivaikuntam is one of the potential blocks identified for summer paddy, reliable sources from Department of Agriculture said.

Such rains would be beneficial to paddy cultivation, which is in progress in Srivaikuntam, Alwarthirunagari and Karungulam blocks, where summer cultivation of paddy is picking up, sources added. Salt manufacturers had also welcomed the occurrence of rain, which is required to boost the selling cost of the product. Since buffer stock of salt was available, there is a gap between demand and supply chain. Since the production came to a halt, the stocked commodity could gain fresh market demand, manufacturers felt.

Survey to assess crop loss

Officials of Revenue and Agriculture departments have started a joint survey to assess the crop loss suffered in the hail storm and heavy rain across the district in the last three days.Joint Director of Agriculture G.T. Putra said the initial estimates had suggested that agriculture and horticulture crops on more than 1,000 hectares of land had suffered damage.

A clear picture would emerge only after the joint survey, he said. The district has cultivable lands of around 3 lakh hectares.Heavy rains of around 30mm lashed the district over the last few days. Several villages experienced hail storms and around 60 sheep were lost to the weather.Karnataka Rajya Raitha Sangha urged the government to compensate the farmers, saying ready to harvest crops had been destroyed in several places.

THE HINDU BusinessLine

Cashew exports may surge to record this fiscal on favourable rupee

But falling imports of raw cashew could affect shipments later

Kochi, March 5:

Cashew exports during the current fiscal have increased significantly in volume and value. If the trend continues, total shipments will be a record high.

However, Vietnam has overtaken India in cashew exports. For the past eight years, the Far-East nation is the top shipper of cashew.

“We expect record shipments this fiscal. The exchange rate has been favourable for exporters,” Sasi Varma, Executive Director & Secretary, Cashew Export Promotion Council of India, told *Business Line.*

During April 2013-January 2014, total shipments of cashew increased to 1,00,477 tonnes valued at Rs. 4,206.26 crore at a unit value of Rs. 418.63 a kg against 85,879 tonnes valued at Rs. 3,350.81 crore at the unit value of Rs. 390.18 a kg.

Export of cashew nut shell liquid rose to 8,260 tonnes valued at Rs. 40.03 crore against 7,334 tonnes valued at Rs. 24.29 crore during the period, he said.

On the other hand, the exchange rate is unfavourable for some exporters who have to import raw cashew nuts. The volatile exchange rate due to swinging rupee coupled with high (non-parity) prices have dragged imports of raw nuts. This could affect exports at a later stage, he said.

Raw nut imports

Imports of raw nuts decreased during the period to 6,90,526 tonnes valued at Rs. 3,896.69 crore from 8,04,425 tonnes valued at Rs. 4,802.62 crore in the same period a year ago, he said.

Though raw cashew nut production India has more than doubled in the last two decades, poor yield is still a cause for concern compared to competitors such as Vietnam. According to official estimates, raw cashew output in 2012-13 is around 7.3 lakh tonnes (lt) from an area of over 9.8 lakh hectares. This is against 3.48 lt from 5.65 lakh hectares in 1993-94 and 5 lt from 7.7 lakh hectares in 2002-03.

Vietnam at the top

The yield in other global producing nations such as Vietnam is lower, official sources told *Business Line*. Total raw cashew production in Vietnam in 1993 was 1.86 lt from 69,100 hectares. It shot up to 12.73 lt from a total area of 3.31 lakh hectares in 2011, according to the latest FAO statistics. The yield from a hectare is currently 3.8 tonnes in Vietnam against India's 772 kg.

Varma, who is currently in Japan to participate in Foodex, said: "Japan has always been a favourable market for Indian cashews and our participation in Foodex Tokyo will further strengthen our ties."

Vietnam reportedly exported 2,57,000 tonnes of cashew nuts in 2013, up 15.8 per cent year-on-year, presenting the eighth consecutive year the country has topped the world's cashew nuts exports.

Sugarcane arrears in UP set to touch Rs. 12,000 crore by March-end

Likely to influence outcome in key Lok Sabha constituencies

Cane arrears of UP mills this season (In ₹ cr)

	Cane value (SAP)*	Cane value (SAP)**	Payment Due -1	Payment made -2	Arrears (1-2)
Private	12074.95	11112.97	9396.99	3277.26	6119.73
Cooperative	1403.62	1302.62	1117.65	677.22	440.43
State Govt	55.24	51.39	42.83	35	7.83
Total	**13533.81**	**12466.98**	**10557.47**	**3989.48**	**6567.99**

*At ₹280/quintal; **At ₹260/quintal payable as first instalment. Figures are for as on March 3.

New Delhi, March 5:

As on March 3, factories in the State had bought Rs. 13,533.81 crore worth of sugarcane based on the UP Government's State advised price (SAP) of Rs. 280 a quintal announced for the 2013-14 crushing season (October-September).

As against this, they had made actual payments of just Rs. 3,989.48 crore, translating into dues of Rs. 9,544.33 crore.

The arrears would be lower if one considers only the cane value based on the first instalment SAP of Rs. 260/quintal.

The State Government has allowed mills to pay this rate within 14 days of taking delivery of cane and pay the balance Rs. 20 before the end of crushing operations by the middle of April or early-May.

Real dues

Technically, taking only the immediate SAP obligation of Rs. 260/quintal and the 14 days time given to pay even that, current arrears are only Rs. 6,567.99 crore. But since mills are required ultimately to discharge the full SAP of Rs. 280, actual dues have already crossed Rs. 9,500 crore, which will touch Rs. 12,000 crore by March-end, industry sources told *Business Line* .

On top of this, UP mills also owe Rs. 286 crore as cane arrears for the previous 2012-13 season.

The current situation couldn't have come at a worse time, politically. The major cane-growing belt of western UP – comprising Ghaziabad, Baghpat, Meerut, Muzaffarnagar, Saharanpur, Bijnor and Bulandshahr – is scheduled to vote on April 10.

The second round on April 17 will also witness polling in areas with significant cane farmer populations – especially Moradabad, Rampur, Badaun, Bareilly, Pilibhit, Shahjahahpur and Kheri.

"In one month's time, this is going to be a big poll issue. It will obviously go against the ruling Samajwadi Party; but who will benefit is not known," the sources said.

Corporate arrears

Of the total Rs. 6,567.99 crore of 'technical' cane arrears, the major chunk of Rs. 6,119.73 crore is owed by private sugar mills, with cooperatives and State-owned factories accounting for the rest.

Among those with the largest share of the Rs. 6,119.73 crore dues by private mills are Bajaj Hindusthan (Rs. 1,482.21 crore), Balrampur Chini (Rs. 613.94 crore), Triveni Engineering (Rs. 459.02 crore), Dhampur Sugar (Rs. 399.35 crore), Mawana Sugars (Rs. 374.08 crore), K.K. Birla Group (Rs. 313.34 crore), Simbhaoli Sugars (Rs. 240.02 crore), DCM Shriram Consolidated (Rs. 230.36 crore), UK Modi Group (Rs. 218.28 crore), Rana Sugars (Rs. 192.33 crore) and Dwarikesh Sugar (Rs. 180.75 crore).

"Paying Rs. 280 a quintal is impossible given ex-factory sugar realisations of Rs. 29.50-30 a kg. Prices had dropped as low at Rs. 28 in January. But even at the current improved levels – largely courtesy the Centre's incentive of Rs. 3,300 a tonne on raw sugar exports – SAP dues will keep mounting", the sources added.

Ukraine shadow looms over Coonoor tea sales

Coonoor, March 5:

Amidst uncertain export market, 13.09 lakh kg of tea are being offered at the first sale of March of Coonoor Tea Trade Association on Thursday and Friday.

The war-like situation in Russia-Ukraine belt causes uncertainty in tea exports to Russia and the rest of the CIS. Already, due to prolonged and repeated snowfall, business has been dull in the US, Europe and Japan. After several weeks of subdued buying, Pakistan was active last week at Coonoor auction paying a wide range of Rs. 60-123 a kg.

In the leaf market, Hindustan Unilever Ltd bought good medium varieties while Tata Global Beverages Ltd was selective .

In the dust market, HUL and Godfrey Philips India were active on good medium grades. Of the 13.09 lakh kg coming up for sale this week, 2.49 lakh kg belong to teas remaining unsold in previous week.

A volume of 8.81 lakh kg belongs to the leaf grades and 4.28 lakh kg belongs to the dust grades. As much as 12.36 lakh kg belongs to CTC variety and only 0.73 lakh kg, orthodox variety.

Spot rubber edges up

Mumbai, March 5:

Spot rubber prices were trading higher today tracking the slight upside in futures. The Kerala Government began procurement in some parts of the State this week, which has further supported the prices.

Today, the RSS-4 grade was slightly higher at around Rs. 148-149 a kg.

The most active April rubber contract on the NMCE was at Rs. 15,149 a quintal, up Rs. 49.

Low output fears boost castorseed

Rajkot, March 5:

Castorseed prices gained on the back of good demand in the spot market. Futures were also up on short-covering by traders.

Moreover, expectation of lower output also supported the price rise .

On National Commodity and Derivatives Exchange, castorseed March contract increased by Rs. 63 to Rs. 4,332 , with an open interest of 102,030 lots. NCDEX April contract gained Rs. 69 at Rs. 4,401 a quintal, with an open interest of 1,48,950 lots.

On the At Rajkot Commodity Exchange (RCX), castorseed March was moved up by Rs Rs. 43 at Rs. 4,210 a quintal and June contract was traded higher by Rs. 50 at Rs. 4,425 a quintal.

RCX spot castorseed increased by Rs. 7.50 to Rs. 3,987.50. Castor oil stood at Rs. 830/10 kg.

According to traders, export demand has increased in the past few days for castor oil and this month alone about 5,000 tonnes of castor oil contract has been made and for that .

Moreover, stockists and traders started covering on fears of lower output prediction in the castor crop.

Developing El Nino may fire up crude palm oil prices

Godrej Intl's Dorab Mistry sees rates topping ringgit 3,000/tonne

Kuala Lumpur, March 5:

Ongoing weather uncertainties and expanding biodiesel demand are expected to drive palm oil market, according to Dorab Mistry, London-based Director of Godrej International Ltd.

He was addressing the Palm and Lauric Oils Price Outlook 2014 conference here on Wednesday. Crude palm oil futures need to quickly scale up to ringgit 3,000 a tonne to control demand and enable stocks in Malaysia and Indonesia to be maintained at a workable level, he said.

In normal situation

"Prices should not rise beyond ringgit 3,000/tonne unless climatic conditions change for the worse," Mistry said. However, if rains return and the situation turns normal, prices will trade between ringgit 2,600-2,900 during July-October as the production high cycle kicks in from July.

In the event of El Nino developing, prices of palm oil futures may cling to MYR 3,000 beyond June and may rise to MYR 3,500/tonne.

Tug-of-war

This would kill discretionary biodiesel demand, especially in Indonesia where a mandate has been put in place.

Mistry estimated incremental demand for vegetable oil at 6.5 million tonnes (mt) and incremental supply at 6.5 mt, following a large rebound in oilseeds production represented by soyabean, sunflower and rape seeds.

James Fry, LMC International, pointed out to the tug-of-war between soft oils and palm oil to garner market share. Referring to the relationship between crude oil and vegetable oil prices via the biodiesel route, he said if Brent crude stays at $110 a barrel, palm oil prices in Europe should reach $1,030 a tonne with Bursa Malaysia Derivatives' futures just above MYR 3,000. But, pressure from other oils will stop it there.

Crude palm oil is currently trading over MYR 2,800/tonne. Clearly, how weather conditions will pan out over the coming days and weeks will determine price movement. From April, pressure from South American supplies can be expected.

Poultry-feed turns dearer on costlier inputs

Karnal, March 5:

POULTRY-FEED TURNS DEARER

Prices of poultry-feed increased this week following an uptrend in prices of key ingredients in the last few days. Prices of feed products have increased by Rs. 25-75 for a 50-kg bag. Soyameal went up by Rs. 1,400 to Rs. 38,000 a tonne, while bajra dropped by Rs. 1,200 and sold at Rs. 13,000 a quintal. Di-calcium phosphate moved up by Rs. 2.20 and was at Rs. 36.80 a kg while maize sold at

Rs. 1,500 a quintal. DRB went up by Rs. 400 and sold for Rs. 8,500, Rice bran oil moved up by Rs. 2 and sold at Rs. 55 a kg, MBM improved by Rs. 1 and was at Rs. 42 while Mustard de-oiled cake increased by Rs. 200 and was at Rs. 15,000 a tonne. Pre-lay mash moved up by Rs. 50 and sold at Rs. 1,100. Layer concentrate 25 per cent was at Rs. 1,520, Rs. 30 up while Layer concentrate 35 per cent improved by Rs. 25 and was at Rs. 1,200. Broiler concentrate increased by Rs. 75 and quoted at Rs. 2,115 for a 50-kg bag.Our Correspondent.

Unwilling to sell at lower rates, mills hold back sugar

Mumbai, March 5:

Spot sugar prices on the Vashi wholesale market increased further by Rs. 5-10 a quintal for S-grade, while it ruled steady for M-grade on Wednesday as parity remained higher with producers holding back from selling at lower rates.

However, due to continuous selling at higher level *naka* and mill tender rates ruled unchanged with higher activities supported by improved local demand.

Sources said that producers held back selling at lower rates which kept mill tender rates higher, while spot prices moved up on higher demand narrowing gap for considering parity. Prices rose by Rs. 30-40 on the spot, while they were up Rs. 10-20 at higher level.

Arrivals at the Vashi market continued at about 60- 61 truckloads (of 100 bags each) and the local dispatches were 59-60 loads.

On Tuesday evening, 20 -22 mills offered tenders and sold about 85,000-88,000 bags at a steady rate of Rs. 2,580-2,690 for S-grade and Rs. 2,770-2,820 for M-grade.

Bombay Sugar Merchants Association's spot rates were: S-grade Rs. 2,761-2,855 (Rs. 2,751-2,852) and M-grade was Rs. 2,892-3,006 (Rs. 2,892-3,006). *Naka* delivery rates were: S-grade Rs. 2,710-2,800 (Rs. 2,710-2,800) and M-grade Rs. 2,820-2,920 (Rs. 2,820-2,920).

Turmeric up on N. India demand

Erode, March 5:

Arrivals of quality turmeric increased in Erode markets as upcountry orders emerged. Fine variety hybrid finger turmeric arrived for sale and buyers purchased all the 300 bags at a higher price. The price of the hybrid finger turmeric increased by Rs. 500, while that of the root turmeric Rs. 150 a quintal. Similarly, the price in the Regulated Market Committee was up Rs. 500 a quintal. Buyers procured 3,300 bags of turmeric against the arrival of 4,800 bags on Wednesday. At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs. 4,600-6,769 a quintal; the root variety Rs. 4,676-6,499. The finger variety of the Salem Hybrid fetched Rs. 6,009-7,239 and the root variety Rs. 5,699-6,720. Of the 1,647 bags that arrived, 791 were sold.Our Correspondent

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Business Standard

Lower production estimate may boost castor price

According to the study, export of castor oil increased over 10 per cent per annum for this year from last two years and is likely around 5.80 lakh tonnes

March 5, 2014

The state government and trade bodies have estimated lowcastor seed production in India for 2013-14, based on which, Junagadh Agriculture University (JAU) has predicted castor prices may rise from March to May.

The Department of Agricultural Economics at JAU analysed the historical monthly price data of castor collected from Agricultural Produce Marketing Committee (APMC) at Patan. Based on the econometric analysis of castor price and in consultation with the National Agricultural Innovation Project, Domestic and Export Market Intelligence Cell, Tamil Nadu Agricultural University, Coimbatore, it has been noticed that the prices of castor may remain in the range between Rs 760 and Rs 860 per 20 kg from March to May this year. "The farmers must take note of this, take their own decision to store castor and sell after May 2014. Keeping the situation in view, if export opportunities continue to remain better, there are chances that prices may go up in future days," Maganlal Dhandhalya, associate research scientist at Department of Agricultural Economics in JAU, said.

Expecting less production and strong export demand supported by weak Indian rupee, castor price started rising from Rs 700 per 20 kg in first week of November 2013 and touched Rs 900 per 20 kg in third week of December 2013. Currently, it is priced at Rs 800 per 20 kg in various markets of Gujarat.

According to the study, export of castor oil increased over 10 per cent per annum for this year from last two years and is likely around 5.80 lakh tonnes. The domestic consumption is estimated to be about 1.50 lakh tonnes in 2013-14, which indicates that, total expected production of current will be utilized. Indian castor seed production declined from a record high of 2.29 million tonnes in 2011-12 to 1.96 million tonnes in 2012-13 and is further likely to fall about 1.64 million tonnes (as per second advance estimate dated 14-02-2014) in 2013-14, as the area under the crop shrunk from 1.47 million hectares in 2011-12 to 9,84,000 lakh hectares in 2013-14. This has been attributed to low castor prices of Rs 700 per 20 kg from March, 2012 over the last two years.

Palm oil prices may rise 6% on climate change

Palm oil prices are likely to rise six per cent soon on expectations of unfavourable climatic conditions in Malaysia and Indonesia, the two largest suppliers, said Dorab Mistry, director of Godrej International.

In a presentation at Kuala Lumpur organised by the stock exchange there, he said: “Production is underperforming and stocks are tight. A lot of the biodiesel business has been locked in. The job of the market till June is to push demand away from palm oil. The oil does not need to buy demand by price discounts. Therefore, crude palm oil (CPO) futures on the Bursa Malaysia (exchange) need to quickly scale, to control demand and enable stocks in Malaysia and in Indonesia to be maintained at a workable level.”


VEGETABLE OIL SPILL

In '000 tonnes

	2012-13	2013-14
Opening stocks	1,650	1,500
Production	6,960	7,440
Imports	10,670	11,060
Consumption	17,680	18,400
Exports	100	100
Ending stocks	1,500	1,500

Source: Dorab Mistry's presentation

Prices should not rise beyond 3,000 ringgit a tonne unless climatic conditions change for the worse. Even if the weather improves and rains come by next week, it will not alter the price outlook up to June; demand rationing is needed. However, if the rains are normal and the high cycle begins from July, prices can trade in a range between 2,900 and 2,600 ringgit a tonne from July till October. In the event of an El Niño (bad weather) development, CPO futures will cling to 3,000 ringgit beyond June, he added. Production is likely to be affected from late 2014 and we might have 3,500 ringgit a tonne.

Meanwhile, Indonesia is expected to find it difficult to implement its biodiesel mandate. Biodiesel producers which have committed large volumes at the current formula-based pricing might find themselves in a difficult situation. For India, vegetable oil consumption and imports are likely to set a new record this year. While consumption is likely to be 18.4 million tonnes during this oil year (November 2013- October 2014) as against 17.7 mt in the previous one, imports could be at a new high of 11 mt this year, against 10.7 mt last year.