


Farmers expect a paddy bonanza

RICH HARVEST	
	
Yield	Supplyco procurement
Palakkad: 9 tonnes a ha	Total 70,000 tonnes
Kuttanad: 7.5 tonnes a ha	Palakkad 30,000 tonnes
Thrissur Kol: Better than normal	Alappuzha Over 5,000 tonnes
Supplyco ceiling for procurement	Kottayam 12,000 tonnes
Palakkad: 5.5 tonnes a ha at Rs.19 a kg	Thrissur 20,000 tonnes
Kuttanad: 7.5 tonnes a ha	Central to this season's bumper crop is the Uma variety
Thrissur Kol: 8 tonnes a ha	Paddy price between Rs.15 and Rs.16 a kg in the open market

Supplyco procures more than 70,000 tonnes

Farmers in Palakkad, Alappuzha and Thrissur have pleasantly been surprised by what looks like a bumper paddy crop this season, but some of them, specially those in Palakkad, may not be able to reap the full benefits of the high price for paddy being offered by the Kerala State Civil Supplies Corporation (Supplyco) which has put a quantity-per-hectare ceiling on procurement.

Farmers in Palakkad, who took to machine planting, have reported yields of about nine tonnes a hectare.

However, Supplyco ceiling for

procurement at Rs.19 a kg is 5.5 tonnes a hectare. But a Supplyco official said that farmers in Palakkad would be able to sell their entire harvest provided they produced a certificate of production from their respective agricultural officers.

The official said that the ceiling had been imposed to prevent cheaper paddy from neighbouring States like Tamil Nadu being sold to the corporation. Supplyco offers the highest procurement price for paddy in the country, the official claimed.

The high procurement price has made it attractive for unscrupulous elements to smuggle in paddy and sell it for a profit, passing the consignments as local produce. Though small farmers would not be able to engage in such operations, agents have been found indulging in it. Paddy sells between Rs.15 and Rs.16 a kg in the open market in Kerala.

Kol area

Farmers in Thrissur's Kol areas have also reported higher than normal yields this season. Most of Kuttanad is expecting better yields this season despite the unusually dry conditions in December and January. Reports from the area, where harvesting is about a week old, said the yield is in the vicinity of 7.5 tonnes a hectare.

The Supplyco procurement ceiling is 7.5 tonnes a hectare in Kuttanad and eight tonnes a hectare for Thrissur Kol.

The high procurement price has made farmers rush to Supplyco. The corporation has procured more than 70,000 tonnes of paddy this season and about 30,000 tonnes of this is from Palakkad. Procurement in Alappuzha is more than 5,000 tonnes and in Thrissur it is more than 20,000 tonnes. Procurement in Kottayam district has gone up to more than 12,000 tonnes.

Central to this season's bumper crop is the Uma variety of paddy, developed by the Mankombu rice research station of Kerala Agricultural University and released in 1998.

A senior scientist at the Rice Research Station told *The Hindu* on Sunday that researchers were yet to develop a variety that would out-yield Uma. The variety was developed with the specific conditions in Kuttanad in mind, where excessive acidity and pest attacks are major problems.

The scientist said that yields have been up to eight tonnes a hectare during some of the past seasons and this year the crop has been bit of a surprise because the climatic conditions appeared to be adverse given that there were no rains in November-December. Occasional rain during these months helps wash out the excessive acidity in the soil.

Farmers plan poll boycott and hunger fast on poll day

COIMBATORE, March 11, 2014 - FARMERS THREATEN TO BOYCOTT POLL

Farmers opposed to land acquisition for the proposed Western Bypass have decided to boycott the Lok Sabha elections to press demands.

A meeting held under the chairmanship of Marudhachalam said that an alignment was changed.

The new alignment would affect the livelihood of many farmers as the road would cut through 3,000 acres.

The farmers would observe a hunger fast on polling day instead of voting, Mr. Marudhachalam said.

Agriculture seminar

KOTTAYAM, March 11, 2014 - The Agricultural Technology Management Agency (ATMA) and Krishi Vigyan Kendra (KVK), Kottayam, will organise a series of seminars on agriculture at the Regional Agricultural Research Station campus at Kumarakom from March 12 to 15.

Seminars that focus on topics concerning the agriculture sector and the farming community will be held.

Rains damage jowar crop



Bleak scenario: A farmer surveys his jowar crop with discoloured cobs, at Kerameri in Adilabad district on Monday.- PHOTO: S. HARPAL SINGH

ADILABAD, March 11, 2014 - The agency areas in Adilabad would be faced with a shortage of fodder in the days ahead as most of the rabi jowar crop is lost owing to unseasonal hailstorm and rainfall which barely showed signs of let-up on Monday.

Almost all the places in the district received rainfall overnight, the maximum being 60 mm at Dahegaon and Mancheri.

Tribal farmers had gone in for jowar cultivation in rabi, thanks to the boost provided by the Intensive Millet Promotion programme of the government. The health of the crop, until the occurrence of the hailstorm, promised a good harvest which would even ensure good supply of fodder. This was not to be to and the areas which were spared by last week's hailstorm in the mandals of Jainoor, Narnoor, Sirpur (U) and Kerameri were wrecked by continuous rainfall. Most of the crop has been damaged and discoloured, which will diminish its quality. If the rainfall continues for a few days more, the stem of the jowar plant in the fields will also suffer damage, which will cause shortage of fodder. Though farmers are prepared to salvage the fodder at least, the rainfall proves to be a deterrent.

Unseasonal rain wreaks havoc on horticulture crops, has Centre worried

NEW DELHI, March 11, 2014 - Unseasonal rain and hail has destroyed huge tracts of horticulture crops, standing rabi mustard and gram crops in Maharashtra, Madhya Pradesh and Rajasthan, ringing alarm bells in government circles here.

Central teams are being rushed to Maharashtra to assess the damage to banana, grape and pomegranate plantations before providing relief. Onion fields have been inundated and flowering mango orchards have been damaged. Teams are ready to be dispatched to Madhya Pradesh as well.

"Yes, heavy unseasonal rains and hail have hit crops in certain States in the last five to six days," Union Agriculture Secretary Ashish Bahuguna confirmed to *The Hindu*.

"Maharashtra and Madhya Pradesh have written to the Centre about damage to crops. Of the two States, Maharashtra has sent a memorandum for assessment by central teams. We are awaiting a memorandum from MP to send our team for spot assessment," he said. As the Centre was expecting record food grain harvest this year, the crop damage has its dampened spirits.

The government is closely monitoring the situation.

The rains lashed Vidarbha region on Thursday and have not ceased since. Union Agriculture Minister Sharad Pawar has abandoned political activity and is intensively touring the State. With more rain predicted next week farmers have been advised to take advantage of sunny days and harvest ready crops "quickly."

Although the model code of conduct is in place in view of the Lok Sabha election, official sources said the guidelines do allow provision of relief in case of natural calamity. "Even so, we will seek permission of the Election Commission for providing relief to farmers."

Water level

The water level in Mettur dam stood at 49.28 feet on Monday against its full level of 120 feet. The inflow was 391 cusecs and the discharge 500 cusecs.

Water level in the Papanasam dam on Monday stood at 51.20 feet (permissible level is 143 feet). The dam had an inflow of 99.65 cusecs and 54.75 cusecs of water was discharged from the dam. The level of Manimuthar dam stood at 72.97 feet (118 feet). The dam had an inflow of 81 cusecs and no water was discharged.

Kanyakumari - The water level in Pechipparai dam stood at 7.75 feet, 38.35 feet in Perunchani, 3.15 feet in Chittar I, 3.25 feet in Chittar II, 3.30 feet in Poigai and 42.24 feet in Mambazhathuraiyaru.

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Rain: 0

Humidity: 74

Wind: normal

Tuesday, Mar 11

Max 30° | Min 25°

Sunrise: 06:19

Sunset: 06:19

Barometer: 1012

Tomorrow's Forecast



Partly Cloudy

Wednesday, Mar 12

Max 30° | Min 25°

Extended Forecast for a week

Thursday
Mar 13



32° | 24°

Partly Cloudy

Friday
Mar 14



32° | 23°

Partly Cloudy

Saturday
Mar 15



27° | 24°

Overcast

Sunday
Mar 16



28° | 21°

Sunny

Monday
Mar 17



28° | 22°

Sunny

THE NEW INDIAN EXPRESS

The Garden of Eden in Hyderabad



Hyderabad-based businessman R Ramdev, 51, has an enviable client list. His company Unique Trees has provided exotic trees to celebrities like Shah Rukh Khan, Chiranjeevi, Junior NTR, Surya and many business tycoons from across India. Apart from sprucing up celebrity homes, they also supply

trees to airports and five-star hotels.

“Two years ago, we supplied a 600-year-old Lucky Ficus (multistem) from Vietnam and olive trees to Shah Rukh Khan. The GVK Group bought a lot of trees from us for the Mumbai and Hyderabad International airports,” says a beaming Ramdev.

Unique Trees, which was started in 2011 with an initial investment of `36 crore, has a seemingly inexhaustible selection of exotic plants on display, a considerable portion of which even seasoned gardeners, horticulturists and botanists probably would have never seen. “Today, Unique Trees continues to import exotic trees on a large scale, which we

supply to professional landscapers, garden centres and hotels. We plan to expand this year and make an investment of `22 crore,” says Ramdev.

“We currently employ a staff of 85 people,” he adds. Ramdev estimates he has around 2,000 varieties of exotic and rare trees on the 280-acre property.

Even as a little boy, Ramdev was fascinated by tropical plants. “I used to buy small plants whenever I travelled abroad. Over time, my passion extended to all exotic varieties, so I developed a large collection of exotic and rare trees,” he says. Though he has no formal botanical training, his love for nature has helped create this Garden of Eden. Ramdev himself has chosen the location of every plant and tree introduced to the garden.

“You just have to learn about a tree and how it likes to grow and then you grow it the way it likes to bloom,” he says. The company also imports live trees from Spain, Mexico, Madagascar, Philippines, Vietnam, Thailand and China.

“We retain the trees in containers, from where they can be planted directly at the customer’s premises. Transporting and replanting a mature tree is a specialised activity that requires a lot of technique and right equipment. Right soil preparation and initial care is of high importance,” says Ramdev. “After transplanting, we make sure the gardener is trained to take further care.”

The trees imported include many varieties of hedge shrubs and well-grown baobabs among others, which are aged between 50 and 800 years.

A general rule, the more unusual a tree is, the higher is its price. The costs range between a minimum of `5,000 and a maximum of `10 lakh depending on the age of the tree. “The value of a tree adds up as it grows older,” Ramdev says, adding that his company is the only one in the country to receive an import license for trees.

Some Unique Trees

Chinese Banyan belongs to the fig tree family. It has glossy leaves oval in shape. It is a topiary tree 1.5m to 30m in height.

Bismarckia nobilis is a palm native to Madagascar. They are grown throughout the tropics, subtropics and favour temperate micro-climates.

The Dragon Tree is native of Canary Islands, Cape Verde, Madeira and locally in Morocco.

The Queensland Bottle Tree from Australia has a swollen trunk that gives it an appearance of a bottle.

Fake Vegetable Seeds Dump Farmers

Hemant Kar of Daragochi village under Marsaghai block had sowed tomato, brinjal, lady’s finger, bitter gourd and cabbage seeds in his four acres of land. Though the cropping season is over, he did not get anything from his vegetable farm. For, the hybrid seeds that were supplied to him were spurious.

Like Hemant, hope of many other farmers in Marsaghai has been shattered. They had sowed vegetable seeds in November and expected a bumper yield by this month. They were supplied the seeds by some hybrid seed suppliers and the horticulture wing of Agriculture Department.

With their hope turning sour, the harassed farmers are facing financial crisis as many of them had taken loan to purchase the costly seeds. “I wasted my strength and money on these crops. The plants grew normally but did not bear fruit,” said Hemant.

Farmers said the horticulture wing had entrusted private seed suppliers to provide seeds to them and the latter promised them that seeds would give better yield than the traditional varieties. It has come as a major blow to the farmers who were already affected by cyclone Phailin last year.

President of District Krushak Sabha Umesh Chandra Singh said low quality seeds and fertiliser, which have flooded the markets, have left the vegetable farmers in the lurch. The farmers’ body on Monday demanded that the district administration and the Agriculture Department should take stern action against the seed suppliers.

Assistant Director of Agriculture Himanshu Sekhar Acharya said allegations of spurious seeds have been received and an inquiry ordered into it.

“The seeds were supplied by a Mumbai-based company and we are inquiring into the reason behind non-germination of seeds. After Phailin, the Odisha Agro Industry Corporation provided 24 types of vegetable seeds to around 5000 vegetable growers of Kendrapara district at 90 per cent subsidy. All the affected vegetable growers will be compensated properly,” he said.

THE HINDU Business Line

Global black tea output up in January



Coonoor, March 10: Official tea production data for January are out for Malawi and Bangladesh, marking 46.72 per cent rise over January 2013. “These are the only two countries for which January data is available and they collectively post a total of 10.71 million kg (mkg) against 7.30 mkg in January 2013,” Rajesh Gupta, publisher of annual *Global Tea Digest* told *Business Line*. This increase of 3.41 mkg over last year’s 7.30 mkg marks a considerable rise of 46.72 per cent in global black tea output. Malawi gained a significant 3.71 mkg to reach 8.21 mkg.

Bangladesh, on the other hand, suffered a marginal setback in January as the production dropped to 2.50 mkg from 2.80 mkg in January 2013.

Kenya is also heading for higher production as the leaf intake in factories has increased following heavy rains in central highlands.

This is said to be unusual for this time of the year.

Weather is dry in Sri Lanka but there is no official prediction of low crop. Indonesia is also producing more although exporters are complaining of inadequate quality strengths.

In India, South continues to produce but most North Indian factories are facing winter closure.

Some auctions have been cancelled for want of volumes. If rain comes, North Indian first flush will impact the market by April.

Global market observers predict low price prevalence due to inadequate demand to absorb this excess supply.

Cardamom regains flavour on export enquiries

Kochi, March 10: Good export demand kept the cardamom market steady last week in Kerala and Tamil Nadu. Upcountry buyers were buying but not aggressively.

Exporters were said to have bought an estimated 100 tonnes of exportable variety cardamom last week. Availability of exportable grade capsule of 7mm and above was comparatively thin, market sources told *Business Line*.

According to them, around 20 per cent of arrivals consisted of low variety capsules of 5.5mm and below. They attributed this phenomenon for the drop in the average price. They said good bulk of bold green cardamom was fetching Rs. 680 a kg. Good capsules of 7mm and above were fetching Rs. 750 and above while 8mm bold was traded at Rs. 850-875, they said. Non-availability of good quality material from Guatemala is the reason for the export demand.

According to the trade, next crop in Guatemala is reported to be lower. Other grades that arrived in the market were bought by upcountry dealers in view of the lean season ahead. Some of the main cardamom growing tracts have not so far received the pre-summer showers.

Individual auction average has slipped to below Rs. 700 a kg last week, mainly because of the presence of small size cardamom in lots, trade sources said. Harvesting of the current season is over. No material comes from the estates now and whatever capsules arrive, currently, is from the stocks held by growers and primary market dealers, trade sources in Kumily said.

During the current season to July 1, arrivals stood at 16,152 tonnes against 9,207 tonnes during the last season. Sales were at 15,732 tonnes against 8,729 tonnes. The weighted average price as on March 9 stood at Rs. 605.36 (Rs. 762.14). At the Sunday auction, arrivals increased to 98 tonnes from 88 tonnes the previous Sunday. Almost the entire quantity was sold. The maximum price was Rs. 947 and the minimum Rs. 369 a kg. The auction average slipped to Rs. 687.72

Karnataka's pepper output may fall on dry spell

Kochi, March 10: Pepper production in Karnataka is expected to be lower this season and the harvesting will come to a close in a fortnight.

Growers in Chikamagalur, Sakleshpur and Kodagu regions told *Business Line* that in some blocks the crop is good, while in some other areas it is small or about only 20 per cent of what it was last season.

"I am shocked at the current crop situation. I haven't faced such a situation at least for the past 10 years," Avinash, a grower from Chikamagalur, said.

Some of the growers attributed it to the protracted dry spell followed by heavy rains last year, while some were of the opinion that every alternative year they get a normal to good crop as flowering takes place in the vines only once in two years.

Since we had a good crop last year, it is small this year. However, overall the crop is comparatively poor this season, they said.

Kerala too suffers

In Kerala, the country's major pepper growing State, also the crop is small.

According to Joshua Daniel, a grower in Konni in Kerala's Pathanamthitta district, the crop is only around 50 per cent of what it was last season.

In some places it was comparatively good, while in some districts it is much less than what it was last year, growers in Kottayam district said. Overall the output is claimed to be much less.

Acreage slips

Area under pepper cultivation in Kerala has declined from 0.85 lakh hectares (lh) in 2011-12 to 0.84 lh in 2012-13.

At the same time, production in the State has been stagnant in recent years, mainly due to low productivity and disease-affected pepper gardens, official sources said.

Quality arrivals help turmeric scale Rs. 7,000/quintal



Erode, March 10: Spot turmeric prices in Erode markets touched Rs. 7,000 a quintal on Monday following quality arrivals and upcountry orders.

“After three months, the price of the turmeric touched Rs. 7,000. Buyers quoted higher price and procured almost all the quality arrivals. The price of the hybrid finger turmeric decreased due to arrival of medium quality varieties,” said

RKV Ravishankar, President, Erode Turmeric Merchants Association. He said that the current price trend may prevail for a couple of months. For the past few days, traders are getting reasonable upcountry orders and are waiting for more such orders.

He said that arrival of turmeric in other centres, mainly Nizamabad, has dropped to 15,000 bags and prices have not increased, so traders are interested in buying local turmeric.

On Monday, arrivals in Erode markets slipped to 3,200 bags and 60 per cent was sold. The price of the finger turmeric increased by Rs. 400 and the root turmeric by Rs. 200. But the price of hybrid finger turmeric was down by Rs. 400 a quintal. At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs. 4,709-7,129; the root variety Rs. 4,279-6,689.

Salem Hybrid crop: The finger variety fetched Rs. 5,769-7,429 and the root variety Rs. 5,419-6,739. Of the 963 bags that arrived, 571 were sold. At the Regulated Market Committee, the finger variety was sold at Rs. 6,199-7,099; the root variety Rs. 5,859-6,688. Of the 407 bags on sale, 406 were traded.

At the Erode Cooperative Marketing Society, the finger variety quoted Rs. 5,609-6,969 and the root variety Rs. 5,519-6,663. All the 410 bags found takers.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs. 5,539-6,912 and the root variety Rs. 4,872-6,816. All the 69 bags were sold.

Mixed trend in spot rubber



Kottayam, March 10: Spot rubber prices were mixed on Monday.

The under current was weak as there was no follow up buying in the market. Meanwhile, reports from the domestic and international futures markets kept the commodity under pressure during late trading hours.

Volumes continued to be low.

Sheet rubber finished unchanged at Rs.

146 a kg, according to traders. The grade declined to Rs. 146.50 (Rs. 147) and Rs. 143.50 (Rs. 144) respectively, according to the Rubber Board and dealers.

March futures weakened to Rs. 144.01 (Rs. 144.65), April to Rs. 149 (Rs. 149.66), May to Rs. 152.10 (Rs. 152.67) and June to Rs. 154.55 (Rs. 154.70), while July futures improved to Rs. 158.60 (Rs. 156.60) on the National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs. 135.21 (Rs. 137.74) at Bangkok. March futures closed at ₹232.4 (Rs. 136.84) on the Tokyo Commodity Exchange.

Orthodox variety gains at Kolkata tea sale

Kolkata, March 10: The North India tea market witnessed a mixed trend last week at sale number 10.

While the Kolkata centre saw nearly nine per cent rise in prices of the orthodox variety, average prices at CTC markets of Guwahati and Siliguri were flat.

Darjeeling tea (at Kolkata centre), however, witnessed more than 40 per cent rise in price than last sale (sale number 8) due to lower offerings, according to an industry expert.

Auction sale no 9 did not take place owing to lower offerings.

Since offerings are expected to be lower for the next two weeks, sale no 11 and no 12 will not take place at Guwahati, Kolkata and Siliguri.

Demand scenario

Lower offerings of orthodox at Kolkata centre resulted in a rise in demand. About 35 per cent of the CTC offerings remained unsold.

At Guwahati, 31 per cent of the total CTC (leaf and dust) offerings was unsold. Nearly 10 per cent of the offerings remained unsold at Siliguri.

Prices

The average price for orthodox at the Kolkata centre was Rs. 124.23 a kg (Rs. 114.09) and average price for CTC leaf stood at Rs. 105.07 a kg (Rs. 112.53). Darjeeling tea average price stood at Rs. 169.99 a kg (Rs. 121.37).

At Guwahati centre, average price of CTC leaf and dust ruled at Rs. 112.73 a kg (Rs. 116.77) and Rs. 100.01 a kg (Rs. 111.27), respectively.

Prices at Siliguri ruled at Rs. 95.54 a kg for CTC leaf (Rs. 95.42) and Rs. 91.53 a kg for dust (Rs. 96.61).

Hailstorms in North shrink mustard crop

Industry pegs crop at 72.25 lakh tonnes, lower than Government estimates

COOIT estimate of rabi oilseed output			
	Area (lakh ha)	Crop (lakh tonnes)	Change over last year (lakh tonnes)
Groundnut	8.32	17.67	0.53
Rapeseed/Mustard	71.32	72.25	5.24
Sunflower	4.29	3.95	-0.7
Sesame	0.99	3.02	0.41
Safflower	1.79	1.01	0.15
Linseed	3.57	1.2	0.03
Total	90.76	99.1	5.66

New Delhi, March 10: Hailstorms over key edible oilseeds growing regions across North India in the last 10 days have damaged standing mustard crop, forcing the industry and trade to slash the output forecast.

The Central Organisation for Oil Industry and Trade (COOIT) has pegged the

rapeseed/mustard crop at 72.25 lakh tonnes (lt) as hailstorms and unseasonal rains have damaged the crop in parts of Rajasthan and Madhya Pradesh. This is about 3 per cent lower than the 74.40 lt estimated by Solvent Extractors Association of India (SEAI) in February-end. "Including toria output of 1.5 lt, the total rapeseed/mustard production is now pegged at 73.75 lt," said Vijay Data, President of SEAI. The edible oil industry body had last month pegged the total mustard output, including toria, at 75.90 lt.

According to the India Meteorological Department, about 25 of the 36 sub-divisions had received excess rainfall during the week starting February 27. Total rainfall across the country was 124 per cent more than normal for the period.

COOIT has estimated total edible oilseed production in the current rabi season at 99.10 lakh tonnes. This is about 5.66 lt more than last year. COOIT's total forecast includes groundnut output of 17.67 lt and sunflower seed output of 3.95 lt.

However, the latest industry projections are noticeably lower than the Government's second advance estimates, mainly in case of rapeseed/mustard and groundnut. In mid-February, the Government had estimated the rapeseed-mustard output at 82.51 lt and groundnut production at 21.19 lt. In case of sunflower seed, industry projections are higher than the Government's estimates of 3.36 lt.

The second advance estimates had pegged total rabi oilseed output at 109.62 lt, while the industry has projected an output of 99.10 lt.

COOIT said overall oilseed crop for both kharif and rabi seasons this year is estimated at 267.30 lt compared with last year's 247.31 lt. The total vegetable oil availability from kharif and rabi oilseeds is estimated upward at 85.25 lt, compared with last year's 80.32 lt.

Despite increase in domestic production, imports of vegetable oil during the 2013-14 oil year (November-October) is projected to increase by about 5-6 lt to about 112 lt on rising consumption.

Soyabean, oil firm on global cues

Indore, March 10: Both soya oil and soyabean ruled firm on Monday despite strong global cues and scattered buying support. Soya refined on Monday ruled at Rs. 700-705 for 10 kg (up Rs. 10 from last week), while soya solvent was quoted at Rs. 660-665 (up Rs. 5). For the past few days, soya oil has been rallying on strong global cues and reports of damage to mustard crops in the country on account of unseasonal rains and hailstorm. Soyabean prices in mandis across Madhya Pradesh on Monday ruled at Rs. 4,000-4,150 a quintal amid an arrival of 55,000 bags (75,000 bags last week). In Indore mandis, soyabean ruled at Rs. 3,800-4,200 amid arrival of 4,000 bags. Soyameal ruled steady on slack demand with prices on Kandla port at Rs. 38,700, while it was Rs. 37,500 a quintal in the domestic market. Our Correspondent

Why ethanol prices are on the boil



Chennai, March 10: Ethanol is one of the three commodities whose prices have surged sharply in the last one month.

With prices rising 8.31 per cent last week, the commodity has gained 58.41 per cent in the last one month. Overall, ethanol prices have gone up nearly 34 per cent in the last 12 months.

Ethanol, derived from corn, is traded actively on the Chicago Board of Trade (CBOT).

In fact, food prices have tended to rule firm mainly due to use of agricultural produce such as corn for fuel purposes.

On the other hand, any rise in corn prices has its impact on ethanol. Part of the current surge in

ethanol prices can be attributed to rise in corn rates.

Corn, whose prices plunged last year, has gained over eight per cent in the last one month and last week, it rose 4.5 per cent. Corn has been gaining on higher demand for the US

produce and fears that shipments from Ukraine, a major source in the export market, could be affected. Concerns over the crop in Brazil and Argentina due to indifferent weather have aided the rally to nearly \$5 a bushel last week.

On Monday, corn for delivery in May on CBOT ruled at \$4.89 a bushel. Ethanol contracts for delivery in April on CBOT are up at \$2.30 a gallon (Rs. 37/litre). Spot prices for ethanol are hovering around \$2.40 (Rs. 37.75 a litre).

One reason for last week's price surge was data showing that ethanol production in the US fell 1.2 per cent in the last week of February from 905,000 barrels the previous week.

Brazil picture

The upward movement in ethanol prices in the last one month is mainly due to prolonged dry weather in Brazil until mid-February. Though the dry areas received rains in the last week of February, it was seen as too late to save the sugarcane crop in the main growing areas.

Brazil exports about one billion gallons of ethanol every year. It accounts for 52 per cent of the total ethanol exports globally and makes up 47 per cent of US imports.

In Brazil, ethanol stocks are likely to decrease by 1.5 million barrels to 2.4 billion barrels by April 1. However, February-end stocks of 3.9 billion barrels were higher than 3.6 billion barrels during the same period a year ago.

Brazil's sugarcane production could drop by 7 per cent due to the dry weather. This would result in processing of sugarcane slipping to 554 million tonnes in the current season that began this month against 596 million tonnes last season.

This will result in production of 32 million tonnes of sugar and 6.47 billion gallons of ethanol. Last season, sugar production was 34.2 million tonnes and that of ethanol was 6.73 billion gallons.

Rising shipments

The cold snap in North America, resulting in prices for all fuel sources soaring, projection of drop in stocks with rising exports since January and increased demand for fuel have also aided the rally.

Going by increasing ethanol exports since January, shipments from the US to Canada are likely to be higher. Canada accounts for 44 per cent of US ethanol exports, while 44 more countries also import US ethanol.

With imports into the US being nil, ethanol stocks are expected to drop one per cent to 17 million barrels by this month-end.

Increased demand for fuel in the US will result in petrol consumption rising to 134.8 billion gallons this year against earlier estimates of 133.2 billion gallons, according to the Energy Information Agency.

With Brazil expected to receive heavy rains this week, ethanol prices could begin to stabilise.

Business Standard

Palm oil up 0.6% on rising spot demand

Amid pick-up in domestic demand, [crude palm oil](#) up by 0.64% to Rs 611.40 per 10 kg in futures trade today as speculators enlarged positions.

At the [Multi Commodity Exchange](#), crude palm oil for delivery in March rose by Rs 3.90, or 0.64% to Rs 611.40 per 10 kg in business turnover of 420 lots.

Similarly, the oil for delivery in April traded higher by Rs 3.30, or 0.54% to Rs 610.40 per kg in 503 lots.

Analysts said speculators enlarged positions on the back of rising demand in the spot market led to rise in crude palm oil prices at futures trade.

Cardamom up 1.1% on strong demand

[Cardamom](#) prices surged 1.19% to Rs 785 per kg in futures trading today as speculators enlarged their positions, tracking a firm trend at spot market on strong demand against tight supplies from producing region.

At the [Multi Commodity Exchange](#), cardamom for delivery in March gained Rs 9.20, or 1.19% to Rs 785 per kg in business turnover of 21 lots.

Similarly, the spice for delivery in April moved up by Rs 6.20, or 0.75% to Rs 833.60 per kg in 524 lots.

Analysts said speculators enlarged positions, tracking a firm trend at spot market on strong demand against tight supplies from producing regions, leading to rise in cardamom prices at futures trade.

Chana up 0.6% on rising demand

[Chana](#) prices moved up by 0.60% to Rs 3340 per quintal in futures trading today as speculators enlarged their positions, driven by rising demand in the spot market against tight supplies from producing regions.

At the [National Commodity and Derivatives Exchange](#), chana for delivery in April moved up by Rs 20, or 0.60% to Rs 3,340 per quintal with an open interest of 95,430 lots.

Similarly, the commodity for delivery in May contract gained Rs 17, or 0.51% to Rs 3382 per quintal in 39690 lots.

Analysts said apart from rising demand in the spot market, limited arrivals from growing regions following reports of damage to crop due to recent rains in growing regions, particularly Madhya Pradesh, led to rise in chana prices at futures trade.

Jeera down 1.6% on increased supply

[Jeera](#) prices dropped 1.64% to Rs 10,485 per quintal in futures market today as speculators offloaded positions, triggered by increased supply from producing belts.

Further, expectations of higher production also put pressure on jeera prices.

At the [National Commodity and Derivatives Exchange](#), jeera for delivery in March drifted by Rs 175, or 1.64% to Rs 10,485 per quintal with an open interest of 2,982 lots.

Similarly, the spice for delivery in April lost Rs 155, or 1.45% to Rs 10,570 per quintal in 9,129 lots.

Analysts said speculators offloaded positions, triggered by increased arrivals from producing

regions and expectations of higher production reports, mainly pulled down jeera prices at futures trade.

Potato up 0.2% as demand picks up

[Potato](#) prices rose by 0.22% to 1,174.90 per quintal in futures market today as speculators created fresh positions after pick up in demand in the spot market.

At the [Multi Commodity Exchange](#), potato for delivery in March traded higher by Rs 2.60, or 0.22% to Rs 1,174.90 per quintal in business turnover of 52 lots.

However, potato for delivery in April eased by Rs 1.70, or 0.14% to Rs 1,197.60 per quintal in 115 lots.

Analysts said fresh positions built-up by speculators due to rise in demand in the spot market mainly helped potato prices to trade higher at futures trade.

Marginal rebound in sugar prices narrows mills' losses

With [sugar](#) prices recovering, mills' fortunes are improving. Open-market prices have risen in the past month Rs 2 a kg to above Rs 28 a kg. Because of the export subsidy of Rs 3,300 a tonne and with global prices rising, realisations have improved Rs 2-2.50 a kg on average.

The Indian Sugar Mills Association ([Isma](#)) estimates the average cost of production at Rs 33–33.5 a kg against a realisation of Rs 31 a kg. A month ago, the realisations were Rs 28.5 a kg, before the government had announced a subsidy for exports.

With a further possibility of a rise, the sector sees possibilities of reducing the losses in the beginning of the season. In two financial years, the cost of production has been higher than realisation. The losses deepened in two quarters due to a rising interest burden on the working capital raised during the crushing season. Poor offtake by state governments swelled the inventory.

CRISIL had last year forecast the sector would incur a [loss](#) of Rs 1,600 crore in the ongoing season beginning November compared to an estimated Rs 1,000-crore loss in the previous one. The loss was Rs 400 crore in 2010-11, it said.

“With the slight rebound, the estimated loss will narrow,” said Abinash Verma, director-general, Isma. However, the sector fears a possibility of round-tripping of [raw sugar](#) exports on a further rise in the domestic markets. The export subsidy of Rs 3,333 a tonne works out to 14 per cent of the cost of production, of Rs 24,000 a tonne. While the government has incentivised exports in a way, at 15 per cent of import duty, refineries can import raw sugar freely. This means export incentives and protection from imports remain at the same level of 15 per cent.

“In case of over one per cent of rise in the domestic market, traders may possibly raise the quantity of imports back to what they had exported, causing round-tripping,” said an expert.

SOME SUGAR AFTER A LOT OF SPICE				BSE price in ₹
	Feb 12	Mar 10	% chg	
Piccadily Agro Industries	24.00	38.20	59.17	
Dharani Sugars	17.14	21.70	26.60	
Dwarikesh Sugar	18.55	23.45	26.42	
Balrampur Chini	39.85	49.00	22.96	
Rajshree Sugar	19.39	23.60	21.71	
Dhampur Sugar	28.80	34.70	20.49	
DCM Shriram Indus	37.40	44.05	17.78	
Bannari Amman Sugars	715.00	820.00	14.69	
Simbhaoli Sugars	12.20	13.21	8.28	
Shree Renuka Sugars	19.64	21.15	7.69	
Bajaj Hindusthan	12.73	13.65	7.23	
Triveni Engineering	14.66	15.65	6.75	

Compiled by BS Research Bureau

Prices are at a four-month high in the global market, due to a drought in the world’s largest producer, Brazil, making room for Indian exporters. They have contracted for 1.6 million tonnes (mt) of raw sugar export and shipped 1.35 mt this season.

Shipment of another 650,000 tonnes is possible this season.

Week on week, [ICE](#) raw sugar futures are nearly two per cent higher; LIFFE white

sugar futures moved up by 2.2 per cent. Last week, foreign hedge fund managers and other large speculators increased their net long positions by 44 per cent in New York sugar futures, according to US trade data. A substantial increase in net long positions is mainly due to recent changes on the fundamental side, resulting in a recovery in prices after trading near multiyear lows. Speculative net long positions were increased by 36,815 contracts to 119,662 contracts on the InterContinentalExchange. “While the price rise will help overall Indian sugar industry, export incentives would benefit only port-based mills, in Maharashtra, Karnataka and Tamil Nadu. Sugar mills in Uttar Pradesh are unlikely to benefit,” said Sanjay Tapriya, director, finance, Simbhaoli Sugars.

Sugar (S 30) price moved up by 5.32 per cent to Rs 3,029 a quintal in the Agricultural Produce Marketing Committee (APMC) on Monday from Rs 2876 a quintal a month ago. Similarly, S 30 sugar price jumped by 6.43 per cent in the last one month to Rs 2,896 a quintal from Rs 2721 a quintal.
