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Arecanut remains stable on Campco's purchases



Some decisions by the Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd on arecanut purchase from growers after the demonetisation of 500 and 1,000 currency notes seem to have helped stabilise the market.

The price of the commodity has remained stable, though arrivals have come down.

Growers, who were getting around 250 a kg for new stocks of white arecanut prior to the demonetisation, were expecting a fall in the prices of the commodity post-demonetisation. This was because a major portion of the commodity is

being traded by private operators. (Of around 7 lakh tonnes of arecanut production in the country, Campco procured 51,142 tonnes in 2015-16.)

Sources in Campco told *BusinessLine* that the decision to purchase arecanut to a maximum limit of 20,000 per member, per week (which was increased to 24,000 subsequently) and to retain the price at the pre-demonetisation level helped stabilise the market.

They said that some private operators tried to bring the market to a level of 210/kg for new stocks of white arecanut immediately after demonetisation. However, Campco decided to buy the commodity at the pre-demonetisation price in a bid to boost farmers' confidence. This came as a blow to private traders, a majority of whom were evading tax, said a source in Campco.

Asked about the cap of 24,000 per member per week, they said the farmer can withdraw only 24,000 from the bank even if he had sold commodities worth 1 lakh. Had there not been a cap on selling, farmers would have resorted to panic selling and flooded the market.

This would have led to a drastic fall in the price of the commodity, they said.

The co-operative's efforts in maintaining the pre-demonetisation price for the commodity has helped improve the confidence level of the growers, they said.

To a query on arrivals of white arecanut, they said that the co-operative is now getting 40 per cent of what was coming in before demonetisation. Fixing of the upper limit for buying could be a reason for this, they said, adding that this has helped in stabilising the market.

Amul to make payments directly into bank accounts of milk producers

To ease the cash crunch faced by milk producers in Gujarat, the Gujarat Cooperative Milk Marketing Federation (GCMMF) will disburse payments to members through direct credit into their bank accounts.

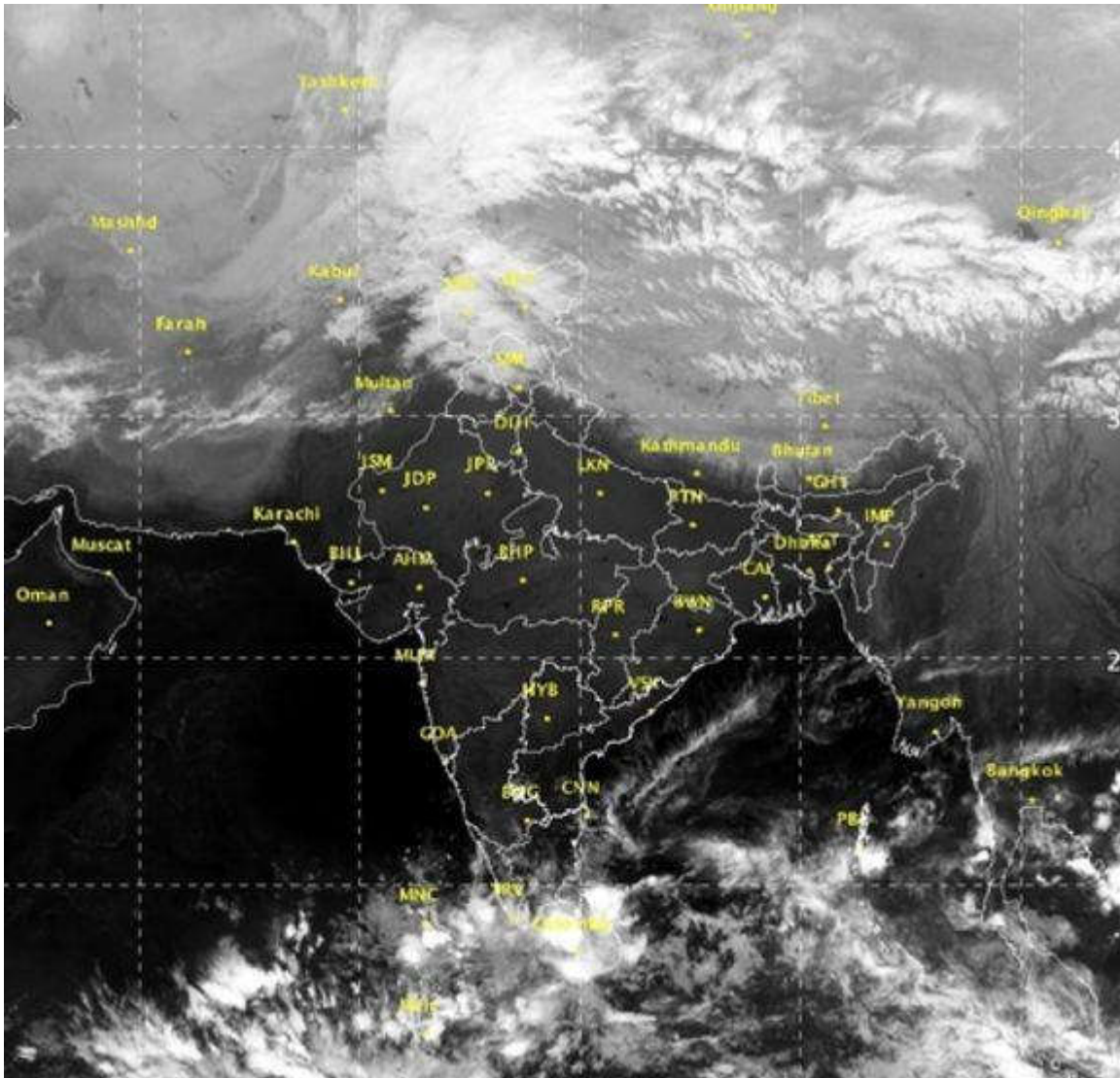
“Currently, 60 per cent of milk producers have bank accounts, but due to some vested interests, the payment was made in cash. We are in the process of opening bank accounts for those milk producers who do not have bank accounts,” said Jethabhai Patel, Chairman, GCMMF.

“We have been stressing on the need to go for cashless transactions for the last couple of years. We have asked all our dairy unions to help farmers open their bank accounts in the next couple of months,” he added.

The co-operative and its 18 associated milk unions are paying around 450 crore on a weekly basis to 36 lakh milk producers through 18,500 milk co-operatives in Gujarat.

Patel said milk procurement and sale has not been affected by demonetisation.

North-East monsoon remains subdued as 'low' fails to form



According to the US National Centre for Environmental Prediction, Tamil Nadu can see a wave of rain approaching the coast from November 27

The US Climate Prediction Centre has forecast above-normal rainfall for Jammu & Kashmir, Himachal Pradesh and adjoining parts of Punjab during this week.

A low-pressure area that was expected to form off Sri Lanka did not materialise on Monday, putting paid to hopes of a revival of the North-East monsoon over south Tamil Nadu.

But the parent trough persisted over the south-west Bay of Bengal off Sri Lanka and is already generating rain along the East Coast of Sri Lanka, the Palk Straits and the Gulf of Mannar.

‘Low’ watch off

The India Met Department (IMD) seems to have withdrawn the outlook for a ‘low’ around the region for now, which indicates an extended dry patch over most of the southern part of the Peninsula.

The only exception is the southern coastal regions of Tamil Nadu and adjoining south Kerala, which may remain cloudy over the next couple of days and even witness rain at times.

According to the US National Centre for Environmental Prediction, the next best that the Tamil Nadu can possibly hope for is a wave of rain approaching the coast from November 27 (Sunday).

Over North-West India, moderate fog would envelop Punjab, Haryana and Uttar Pradesh over the next two days in view of an incoming western disturbance.

Cold wave

Till the warmth associated with the western disturbance filters in, cold wave conditions are expected to settle over adjoining West India, especially north Madhya Maharashtra.

The western disturbance is a rain/snow-delivering band of low pressure that transits North and North-West India during winter.

The moisture associated with it rises and cools to form cloud.

The cloud in turn condenses to form the rain, a godsend for the standing Rabi crop.

The US agency has forecast above-normal rain for Jammu & Kashmir, Himachal Pradesh and adjoining parts of Punjab during this week.

Rainfall deficit, currency issues impact FACT's fertiliser sales

Rainfall deficiency coupled with currency demonetisation have affected fertiliser sales of the public sector FACT, despite record production this fiscal year.

The plummeting sales have put the company in a precarious situation at a time when it has received a 1,000-crore loan from the Centre to restart its caprolactam plant and augment production in all other plants.

With the maximum production among all fertiliser plants, FACT was able to set new records in production as well as marketing of fertilisers in the first six months of the current fiscal and was confident of closing the year on a positive note.

However, the rains played spoilsport with fertiliser sales in South India, especially with the deficient South-West and the delayed North-East monsoon.

The company — through the financial package — had stepped up production with a target of achieving 10 lakh tonnes and it is also evident in the improvement in production on a monthly basis.

Despite it being the peak season, fertiliser sales have come down in November. It is not FACT alone that bears the brunt; half a dozen other players in South India have also started feeling the pinch of the rain scarcity. And the currency demonetisation has fuelled to the crisis.

D Nandakumar, Chief General Manager (Marketing), FACT, told *BusinessLine* that normally there is a good offtake from Tamil Nadu in the October-November period but this year sales have dropped by almost 50 per cent till date.

Fertiliser companies based in North India are in an advantageous position, thanks to the good monsoon that lifted sales in the entire region. “It seems the lean period for fertiliser sales — January, February and March — has started from November itself,” he said.

Discounts for dealers

However, with added sales effort and the recently-announced incentives for dealers, Nandakumar is optimistic that the quantities of fertilisers sold can be enhanced.

To tide over the crisis, he said the management has decided to offer discounts to dealers, which would be 700 per tonne at base price for Factamfos, 500 for ammonium sulphate and 400 for Muriate of Potash, till end-November. “We hope that the discounts will boost sales since FACT products are the most preferred brand in Tamil Nadu,” he added.

Online payments

On the currency demonetisation, he said the entire sale was on a cash-and-carry basis and the unavailability of small currency denomination has affected railhead clearance of cargo as well as loading and unloading at depots.

However, the company’s shift towards online payment has lessened the impact, he added.

The company is now facing difficulties in storage as it has stock of approximately 95,000 tonnes of Factomfos and almost 19,000 tonnes of ammonium sulphate.

FACT has only four-and-a-half months to achieve the production target of 10 lakh tonnes and it has so far produced, 4.84 lakh tonnes of Factomfos and 1.1 lakh tonne of ammonium sulphate.

Demand increases for Dust grades

About 86 per cent of 10.67 lakh kg on offer at Sale No: 46 of Coonoor Tea Trade Association was sold with an increased demand for Dust grades.

Homedale Estate's Red Dust, auctioned by Global Tea Brokers, topped the Dust tea auction and the entire CTC market when Poonam Traders bought bit for 206 per kg. No other CTC grade crossed 200/kg mark.

In the orthodox market, Chamraj topped at 259 a kg, followed by Kodanad 228, Havukal 226 and Kairbetta 221.

Most buyers for Pakistan were silent this week.

Mixed trend in cooking oils



Imported palmolein and soya oil gained 3 and 7 per 10 kg each and all indigenous edible oils ruled steady. Local refineries increased their rates tracking firm futures. Liberty's rates: palmolein 593, super palmolein 616 and soyabean refined oil 685. Ruchi traded palmolein for 590, sunflower refined oil for 720. Golden Agri quoted palmolein at 593. At Rajkot, groundnut oil *telia* tin was up at 1,550 (1,540) and loose (10 kg) at 985 (980).

Cardamom prices drop on suspension of auctions



Small cardamom prices witnessed a substantial decline last week on suspension of seven auctions out of twelve following the liquidity constraints resultant from demonetisation of 500 and 1,000 notes.

“Farmers did not want to sell fearing delayed receipt of sale proceeds while the buyers were not enthusiastic to buy for want of sufficient funds and that in turn led to the suspension of over 50 per cent of the auctions last week,” PC Punnoose, General Manager, CPMC, a major auctioneer told *BusinessLine*.

“As the situation is slowly getting back to normalcy majority of the auctions are expected to be held this week,” he said.

Growers are happy to hold back their produce as the crop is going to be less than 50 per cent this season following the failure of both the south east monsoon and the North-East monsoon this year, market sources in Bodinayakannur said.

Total arrivals last week at five auctions stood at 144 tonnes as against 416 tonnes the week before and the sales were at 136 tonnes.

The individual auction average last week dropped to 1,261.07 a kg from 1,404.29 the previous week and vacillated between 1,234 and 1,312 a kg.

Exporters also stayed away from the market as the prices were ruling much above their affordable levels, they said.

Total arrivals during the season from August 1 up to November 19, 2016 were at 7,924 tonnes and sales were at 7,462 tonnes.

The individual auction average for the season as on November 19 stood at 1,011.80 a kg. Last week auction average was at 1,261.07 against 1,404.29 a kg the week before.

As the arrivals have shrunk significantly the prices in the local market in the main trading hub Bodinayakannur remained unchanged on Monday . Prices in /kg: 8mm bold good colour 1,400-1,500 ; 7-8 mm 1,250-1,350; 6-7 mm 1,150-1,250 and below 6 mm: 1,000-1,100.

Farmers can purchase seeds with old 500 rupee notes



In yet another relaxation since its decision to demonetise high value currency notes, the Government has now allowed farmers to purchase seeds with the old series 500 from outlets belonging to the Centre or States or from public sector firms.

“This can be done on production of proof of identity,” said the Finance Ministry on Monday.

The move comes at a time for the sowing for the rabi season.

Last week, the government had also permitted farmers to draw cash of up to 25,000 per week from their KYC compliant accounts.

THE ECONOMIC TIMES

Govt contracts 4.06 lakh tonnes of pulses import

Of the total pulses import deals clinched so far, tur was 1.58 lakh tonnes, masoor about 1.35 lakh tonnes, chana 70,000 tonnes and urad 42,500 tonnes

NEW DELHI: Import of 4.06 lakh tonnes of pulses has been contracted so far this year for buffer stock, and the total shipments could rise to 10 lakh tonnes, the government today said.

After a gap of two years, the government started importing pulses from 2015 to meet the domestic shortfall and price rise. It also decided to create a buffer stock of 20 lakh tonnes through domestic procurement and imports.

"The government has approved creation of buffer stock of up to 20 lakh tonnes, of which up to 10 lakh may be imported," Minister of State for Food C R Chaudhary said in a written reply to the Lok Sabha.

Import of 4.06 lakh tonnes of pulses has been contracted till date towards building the buffer, he said.

Of the total pulses import deals clinched so far, tur was 1.58 lakh tonnes, masoor about 1.35 lakh tonnes, chana 70,000 tonnes and urad 42,500 tonnes, he said.

On price rise of pulses, the Minsiter said the fall in output including chana in the last two consecutive years due to drought has put pressure on prices of select pulses and the government has taken measures to check rates.

The government has released subsidised chana from buffer stock to state governments, central agencies and now also through auction, he said.

Repling to a separate query whether the government has plans to bridge wholesale and retail prices of pulses, the Minister replied in the negative.

On procurement of lentil, the Minister said that harvesting of kharif crops has started, while lentil is a rabi crop which will be harvested from February through April.

He said that the government would procure lentils under the price stabilisation fund (PSF) scheme towards building the approved buffer stock of 20 lakh tonnes of pulses.

The government is targeting a record 20.75 million tonnes of pulses output in the ongoing 2016-17 crop year (July-June). The previous record was 19.25 million tonnes achieved in 2013-14. Thereafter, output fell due to drought.

Rabi sowing ops not affected due to demonetisation: Government

Wheat has been sown in 79.40 lakh hectares till November 18 of this ongoing rabi season, higher than 78.83 lakh hectares in the year-ago period, Radha Mohan Singh said.

NEW DELHI: Sowing of rabi crops like wheat, pulses and oilseeds has not been affected due to banning of old Rs 500 and Rs 1,000 notes, Agriculture Minister Radha Mohan Singh today said, ruing that politics is being played in the name of farmers.

"The decision to ban Rs 500 and Rs 1,000 notes was taken to curb blackmoney and corruption. This is going to directly benefit farmers and poor people. This decision is being opposed saying it is affecting farmers and would impact rabi sowing. But the truth is the move is being opposed for personal interest," Singh said in a statement.

Stating that some people are playing politics in the name of farmers, the minister said sowing area of wheat, pulses and oilseeds has been higher till November 18 of this rabi season compared with the year-ago period.

Wheat has been sown in 79.40 lakh hectares till November 18 of this ongoing rabi season, higher than 78.83 lakh hectares in the year-ago period, he said.

Similarly, area sown to pulses has increased to 74.55 lakh hectares from 69.98 lakh hectares while oilseeds acreage has gone up to 56.16 lakh hectares from 48.74 lakh hectares in the said period.

Wheat, pulses and oilseeds are main rabi crops. Sowing started from October and harvesting will begin from April.

Without naming any political leaders from West Bengal and Uttar Pradesh, the Union agriculture minister said the sowing area is higher in these two states as well.

In West Bengal, rabi crops have been sown in 2.39 lakh hectares till November 18 of this rabi season, as against 2.25 lakh hectares in the year-ago period.

In Uttar Pradesh, rabi crops have been sown in 33.79 lakh hectares, much higher than 25.91 lakh hectares a year ago.

UP farmers have sown wheat in 14.82 lakh hectares till November 18 of this rabi season, as against 14.38 lakh hectare a year earlier.

Pulse acreage has increased to 8.52 lakh hectares from 2.68 lakh hectares while oilseeds area has gone up to 10.08 lakh hectares from 8.63 lakh hectares in the said period in Uttar Pradesh, he said.

Highlighting various steps taken to ease cash flow to farmers, the minister said farmers are allowed to buy seeds with old Rs 500 notes at government outlets as well as from agri varsities.

Farmers have also been allowed to withdraw up to Rs 25,000 from banks and the steps are being taken to open bank accounts of farmers at mandis, he said, adding that farmers can avail of funds via kisan credit cards.

India's crop yields lower than US, Europe and China

Large areas being under-rainfed and harsh environment also accounted for non-realisation of productivity potential of improved technologies, Radha Mohan Singh said.

NEW DELHI: India's crop yields are lower than those in the US, Europe and China and the government is implementing several schemes to address this issue, Agriculture Minister Radha Mohan Singh said today.

He however noted that the low crop yields cannot be attributed to "non-availability" of improved technologies but several factors including short growing season, varied agro-climatic conditions and weather extremities.

"The productivity of various crops and legumes in the country is less as compared to that of some countries in Europe, the US and China," Singh said during the Question Hour in the Lok Sabha.

Large areas being under-rainfed and harsh environment also accounted for non-realisation of productivity potential of improved technologies, he said.

Singh said that in countries with high productivity, crops are largely grown in high input management conditions of long growing period without any stress of moisture and temperature.

Whereas in India, on the same land, farmers grow more than one crop in a year and per day productivity of most of the crops was comparable to the global average, he added.

According to the crop yield data placed before the House, India's rice yield was 2191 kg/hectare, while the global average stood at 3026 kg/hectare, while wheat is 2750 kg/hectare as against the world average yield of 3289 kg/hectare.

Replying to a query that if there was sluggish progress in improving crop yields, the Minister said the Indian Council of Agricultural Research (ICAR) is conducting research in 26 commodities, while several schemes such as National

Food Security Mission (NFSM) have been rolled out to increase production and productivity of agri-crops.

Under these schemes, funds are being provided to states for implementing state-specific agri-strategies, he said.

"As a result of implementation of various crop development schemes/programmes, the production and productivity of most of the agricultural crops have increased," he said.

For instance, the country's rice yields have increased from 2131 kg per hectare in 2006-07 to 2416 kg per hectare in 2013-14, while wheat yields have gone up from 2708 kg per hectare to 3145 kg per hectare in the same period, he added.

Singh observed that the production and productivity of agri-crops during 2014-15 and 2015-16 declined due to deficit rainfall.