



## **Minister promises quality seed to farmers**

### **Officials indulging in irregularities will be dealt with iron hand: Minister**

Minister for Agriculture Kanna Lakshminarayana on Monday inaugurated the distribution of subsidised groundnut seed at the market yard in Anantapur, even as he promised quality seeds to the farmers.

Speaking on the occasion, he said the government had ensured that quality seed was supplied and appealed to the farmers to check the quality at the counter itself.

“An official found to be distributing lower quality seed will be dealt with iron hand,” the Minister said and asked the farmers to complain immediately in case they come across any malpractice.

The Congress government in the State, he said, was truly concerned about the welfare of the farmers and the spending of Rs. 1,400 crore as input subsidy for the farmers besides Rs. 475 crore for the subsidised groundnut seed distribution were steps in that direction.

He said that the government had already sent to the district four lakh quintals of seed as per the current estimate of demand from the farmers while more would be made available soon and added that the seed stock was kept on standby in godowns, ready for dispatch.

Speaking about Anantha project, he said that Rs. 7,500 crore proposal to turnaround the farm sector in the district was accepted by the State government and that the proposal would be submitted to the Planning Commission by the Chief Minister, Ministers from the district and the Anantapur MP Ananta Venkatrami Reddy for its approval.

Meanwhile, the district In-charge Collector S. Satyanarayana said that all arrangements were made for smooth distribution of seed around the district and appealed to the farmers to themselves come to the centre along with their passbooks containing the unique number so as to negate pilferage.

The meeting was also attended by the Revenue Minister N. Raghuveera Reddy, Madakasira MLA Sudhakar, Anantapur market yard chairman Narayana Reddy and others.

### **'Save farmers by taking up minor and medium irrigation projects'**

The two-day workshop on comprehensive development of Kurnool district, sponsored by the CPI (M) in connection with the centenary celebrations of Puchalapalli Sundariah here on Monday, urged the government to take up minor and medium irrigation projects on an emergency basis to mitigate the suffering of people in western parts of the Kurnool district.

Coordinating the workshop, CPI (M) Central Committee member M.A. Gafoor said a large size of population from the villages of Aluru, Adoni, Pathikonda, Kodumur constituencies deserted their places for daily bread and lived in miserable conditions at the new places.

He said a farmer owning 22 acres of land turned into a migrant worker and lived on the streets of Railway Kodur in Kadapa district. He said the political representatives of the area should own up the responsibility and do their little to help the hapless people.

The situation cropped up because of poor irrigation facilities in upland area, he said. He suggested that for instant relief, the government should take up repairs and widening of old tanks and feed them through pipeline or existing rivulets. He said umpteen tanks existed in rural areas which could be developed to sustain villages.

Mr. Gafoor felt that the shape of the region could be changed in a few years if constructive steps were taken.

Irrigation expert Subbarayudu said Hagari river could be tapped to provide water to the parched fields and villages of Aluru constituency. Similarly, a reservoir across Tungabhadra above Sunkesula reservoir could stabilise KC canal and offer water to upland area through lift irrigation schemes.

He highlighted the need for a weir across the Krishna river at Pothireddipadu regulator to ensure flow of water into the canal for a longer period. At present, the canal drew water only above 854 ft level. Other speakers said that Kurnool district required 200 tmcft of river water to meet the

complete irrigation needs of the farmers. The meeting highlighted the poor delivery of water by TB LLC and KC canal due to non-availability of water in the river and pilferage.

Retired agriculture scientist G. Narasimha Rao explained the farming conditions in the district and Venkatesh Goud of Central University the complex social conditions in the district.

### **Buy, stock fertilizers when prices are low, Collector tells farmers**

#### **Arrangements made to provide high-quality seeds of cotton, maize and paddy**

Collector Darez Ahmed has urged farmers to buy and stock fertilizers, whose prices have considerably reduced, well ahead of the monsoon season.

In a release, he pointed out that southwest monsoon is expected to set in during the first week of June in Kerala. "Hence Perambalur district is likely to get rainfall at the right time."

As the rainfed crops of Perambalur district such as maize and cotton are in need of rain, cultivation should be done during June-July.

He pointed out that though agriculture did suffer last year due to poor rainfall, those farmers who had sown at the right time had excellent yield. At present, the primary agricultural cooperative banks (PACBs) are disbursing the drought relief amount to those farmers who suffered crop loss last year.

Hence, they could purchase fertilizers well ahead of the season and stock them. He was happy to note that the prices of some fertilizers had come down.

For instance, a bag of DAP (50 kg) is sold by the IFFCO at Rs.1,125 (a reduction of Rs.75) and 20:20:0:13 fertilizer is sold at Rs.900 (a reduction of Rs.50 per bag of 50 kg). All these fertilizers are adequately stocked with the PACBs.

Mr. Ahmed said the prices of these fertilizers depended on the international price movements and hence farmers should utilise this opportunity and stock them.

At present the Tamil Nadu Cooperative Federation and the 53 PACBs in the district in total had 2,000 metric tonnes (MT) of urea, 4,000 MT of DAP, 1,000 MT of potash, and 2,500 MT of 10:26:26 complex fertilizer.

The Collector said that arrangements had been made to provide high-yielding and high-quality seeds of cotton, maize, paddy, and onion through the PACBs and the farmers should avail of this opportunity.

### **135 farm ponds to tackle drought in Karur**

#### **The district administration has deployed MGNREGS workers for digging work**

The district administration has decided to dig up 135 farm ponds. Farm ponds had already proved their worth in the past by providing water to farm wells, lakes and fields saving standing crops during drought. With the Central government announcing that the MGNREGS workers could be utilised for farm works, the way was cleared for the local authorities to make the best use of the funds and the workforce.

The State government and the district administration have decided to augment available water sources and make efforts to conserve water . There is a concerted effort to increase the ground water table in identified areas to re-energize the fields and water sources in parched areas of the district.

The district administration has deployed MGNREGS workers for digging farm ponds in the district over the past few days.

A total of 58,646 farmers have registered to avail themselves of work under MGNREGS developing 37,562 hectares. As part of the efforts, it has been planned to construct 135 farm ponds in the district. Those farm ponds would be 15-metre long, 15-metre wide, and 1.5-metre deep. However, the dimension of the farm ponds would vary with the size of the field.

Mostly, the farm ponds would be established near the borewell or open well to facilitate easy and quick recharging of the water source. A farmer could utilise the services of the beneficiaries, equivalent to the maximum wage of Rs 1.5 lakh.

#### **'Village overlooked for drought relief by officials'**

Even as the State Government sanctioned drought relief to the tune of Rs. 62 crore to farmers, Koppampatti village in Kollapatti panchayat, Vedasandur union was totally neglected by revenue officials, alleged farmers from the village who thronged the Collectorate in large numbers here on Monday.

Many farmers raised maize and 'cumbu' in rain-fed areas and crops like tomato and groundnut in irrigated areas on a large scale in Kollapatti.

Crops were completely destroyed owing to failure in monsoons and acute water shortage. But no revenue official has visited the village to assess the crop damage till date, said farmer P. Jayaraman.

When contacted, the Village Administrative Officer (VAO) said that they would get their compensation shortly and asked them to contact him later. But not even a single farmer's name from this village figured in the list of beneficiaries.

Compensation was given to farmers in 10 villages in Kollapatti panchayat. When we met the VAO again, he ruled out the possibility of getting compensation, Jayaraman alleged.

The high-level committee constituted by the state government did not visit Vedasandur union, one of the gray areas and drought-affected zones in the district.

The officials too neglected our village. Failure to include Koppampatti has left farmers in the lurch, said farmer E. Singaram.

With acute financial crisis, many farmers have been struggling for survival. Immediate disbursal of compensation alone will provide relief, added K. Periasamy.

**Sowing for potato crop begins in Hassan**



Brisk sales: Seed potato was sold at prices ranging from Rs. 1,350 to Rs. 1,400 a quintal at the APMC yard in Hassan on Monday.— photo: prakash Hassan

Farmers have begun sowing for potato crop in parts of Hassan district following moderate rainfall last week. They prefer cultivating potato as they get yield within three months.

However, in the last five years, cultivation of potato has come down owing to blight and drought.

In 2012, potato was cultivated only on around 14,000 hectares. This year, it is expected to be cultivated on over 20,000 ha.

Shakeel Ahmed, Deputy Director of Horticulture, said that so far, 25,000 tonnes of seed potato had been sold. “Merchants had brought over 31,000 tonnes of seed potato. Sales picked up only after rainfall in the last two or three days. Many parts of the district received good rainfall on Sunday and that prompted hundreds of farmers to purchase seed potato,” he said.

The APMC yard was packed with farmers on Monday who bought seed potato at prices ranging from Rs. 1,350 to Rs. 1,400 a quintal.

**Micro-irrigation method to be implemented in State**



Minister for Major and Medium Irrigation M.B. Patil addressing presspersons in Bijapur on Monday.— Photo: Rajendra Singh Hajeri

Minister for Major and Medium Irrigation M.B. Patil has said the government will implement the micro-irrigation method adopted in Israel for projects in the State to conserve water. He told presspersons here on Monday that it would help irrigate large tracts of lands too.

“We are planning to implement it in the Upper Bhadra Irrigation Project, Singatalur Lift Irrigation Project, Koppal Lift Irrigation Project, and Babaleshwar Lift Irrigation Project,” he said.

Mr. Patil said a demand would be made to provide subsidy to farmers, mainly in the Cauvery basin, to shift to the micro-irrigation method.

Asserting that his Ministry was committed to an improved relief and rehabilitation package for farmers losing land for irrigation projects, Mr. Patil said he was exploring the possibilities of providing reservation in government jobs for them. “We will seek legal advice,” he said.

To ensure speedy approval of irrigation projects that need funds from the Union government, a senior IAS officer would be posted in New Delhi. The official would act as a bridge between the State and the Centre for speedy completion of formalities, the Minister said.

Mr. Patil said the government would be urged to allocate Rs. 2,000 crore in the budget for tank-filling projects.

**Boost sought for jackfruit farming**

The sixth jackfruit mela, which concluded here on Sunday, called for the setting up of a jackfruit development board, similar to the cashew and rubber development boards. Other resolutions taken at the mela were that farmers should be advised to plant jackfruit saplings in Malnad areas in June and July, horticulture universities should set up jackfruit conservation centres, studies on the fruit's nutritional value should be taken up, workshops should be held to raise awareness among farmers about grafting, breed conservation and marketing.

### **Nabard plans to hold 'Madurai Millet Festival'**

The National Bank for Agriculture and Rural Development (Nabard) has urged the district administration to organise a millet festival in Madurai to propagate the consumption of millet.

R. Shankar Narayan, Assistant General Manager, Nabard, made the request at a workshop on 'Millet production and value addition' held at Sedapatti recently.

Speaking to The Hindu, Mr. Shankar Narayan said that organising the festival will help raise awareness of the nutritional value of millet. "After the 'Maa Madurai Potruvom' festival held recently, 'Sungudi' cotton sarees have caught the fancy of women. Creating a wave of interest in millet will have a positive effect on the health of the people," he said.

"Hotels can be involved in the festival to promote millet. A food festival could be organised on the occasion," Mr. Narayan suggested. According to him, Tamil Nadu is one of the very few states in India that produce minor millet, which is cultivated in T. Kallupatti, Sedapatti, Tirumangalam and Usilampatti regions in Madurai district. But the area under cultivation has shrunk to a considerable extent over the years, he said. Raising public awareness will result in increased demand for minor millet and induce the farmers to cultivate more of the crop, he added.

Addressing the self-help group (SHG) members and villagers at the workshop, Collector Anshul Mishra spoke on the need to increase awareness on the health benefits of millet.

The Collector inaugurated a watershed project launched by Nabard at Kalappanpatti. According to Mr. Narayan, the project cost was Rs. 128.35 lakh. Nabard granted 50 per cent assistance and the State funded the remainder.



## **Protesters march against Monsanto across the globe**

Marches and rallies against seed giant Monsanto were held across the U.S. and in dozens of other countries Saturday.

“March Against Monsanto” protesters say they want to call attention to the dangers posed by genetically modified food and the food giants that produce it. Marches were planned for more than 250 cities around the globe, according to organisers.

Genetically modified plants are grown from seeds that are engineered to resist insecticides and herbicides, add nutritional benefits or otherwise improve crop yields and increase the global food supply. Most corn, soybean and cotton crops grown in the United States today have been genetically modified. But some say genetically modified organisms can lead to serious health conditions and harm the environment.

In the U.S., hundreds of people held marches in Los Angeles, Chicago and New York. In Washington, D.C., protesters wearing yellow-and-black shirts lay on the sidewalk in a bee die-in outside Monsanto’s headquarters. Abroad, protests took place in London, Amsterdam, Stockholm, Vienna, Durban, South Africa, and Melbourne, Australia, among other places. In Cairo, a female protester held up a sign reading “I am not a science experiment.”

Monsanto Co., based in St. Louis, said on Saturday that it respects people’s rights to express their opinion on the topic, but maintains that its seeds improve agriculture by helping farmers produce more from their land while conserving resources such as water and energy.

The use of GMOs has been a growing issue of contention in recent years, with health advocates pushing for mandatory labelling of genetically modified products even though the federal government and many scientists say the technology is safe.

Whole Foods says there is growing demand for products that don’t use GMOs, with sales of products with a “Non-GMO” verification label spiking between 15 per cent and 30 per cent. —

AP

## Farmers hurrying to pluck mangoes fearing early rain

SURAT: Farmers in south Gujarat are hurrying to pluck the mangoes from their orchards as they are anticipating showers by the end of June's first week.

Valsad has been receiving pre-monsoon showers in the evenings for the last two days and many fear that if monsoon sets in all their mango crop may be damaged.

Meteorological department and experts have, however, ruled out early monsoon.

"There is no major activity to suggest any early monsoon showers. Whatever we have are just sprinkles of pre-monsoon showers and the real south-west monsoon will set over the region a week late," said Dr Neerak Kumar, department of meteorology, Navsari Agriculture University (NAU).

However, not many farmers who have ready fruits dangling on the trees ready to be plucked, are willing to wait.

"Seeing the weather condition for the last two days, I have decided to complete plucking by June 3," said Dipesh Naik, who has 2000-tree mango orchard near Navsari. "I would rather sell my produce a little cheaper instead of risking a wash out in rains," he added.

Even some paddy and sugarcane farmers have started their pre-season preparations. Magan Prajapati of Dihen village in Palsana taluka said, "Why take chance if we can complete the ground work a little early?"

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Chennai - INDIA

Today's Weather



Partly Cloudy

Tuesday, May 28

Max Min

Tomorrow's Forecast



Partly Cloudy

Wednesday, May 29

Max Min

34° | 27°

39° | 29°

Rain: 0

Sunrise: 05:41






Humidity: 62

Sunset: 06:30

Wind: normal

Barometer: 1006

### Extended Forecast for a week

Thursday May 30	Friday May 31	Saturday Jun 1	Sunday Jun 2	Monday Jun 3
				
38°   29°	38°   29°	38°   29°	39°   29°	40°   29°
Partly Cloudy	Overcast	Cloudy	Overcast	Overcast

Airport Weather	Rain: 0	Sunrise: 05:41	
	Humidity: 62	Sunset: 06:30	
Chennai	Wind: normal	Barometer: 1006	

### Fisheries dept disconcerts Jain minister in Karnataka

Karnataka minister Abhay Chandra Jain on Monday found himself in a piquant situation after chief minister Siddaramaiah refused to yield to his demand that he be given a portfolio other than fisheries as it was against the principles of Jainism.

"The chief minister refused to accept my demand and told me that there is a huge potential in the ministry and I could do better work since I hailed from the coastal belt. Hence, I have decided to continue as fisheries minister," he told reporters here.

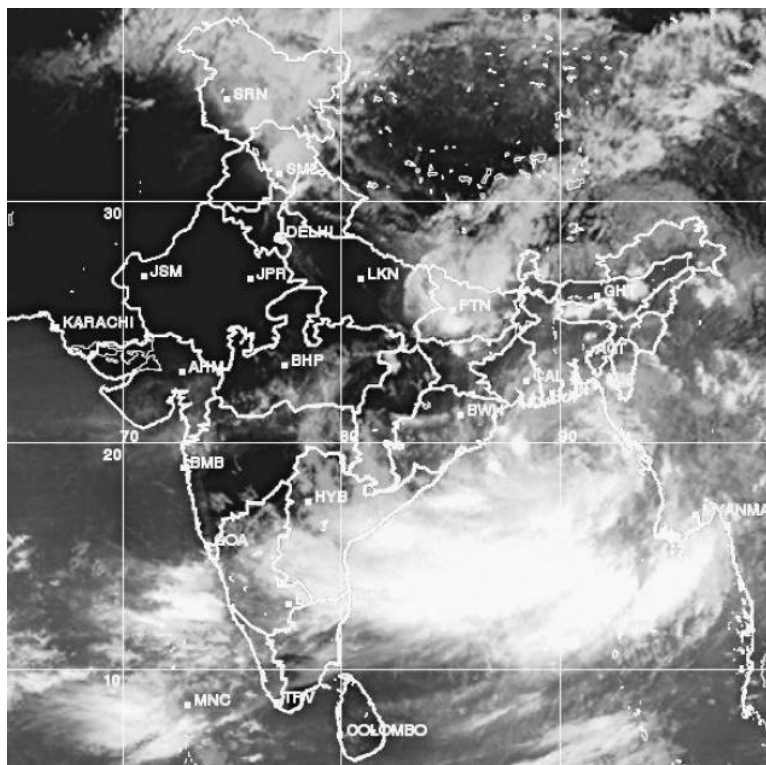
The minister, who is a vegetarian and a Jain by religion, has been airing his dissatisfaction of holding fisheries portfolio.

Jain had said earlier that he wants to relinquish fisheries portfolio as there was a strong backlash from his community.

Jain is, however, happy with his additional portfolio of Youth Services. He said that his father was a tennis champion at Banaras Hindu University before independence.



## Weather



For research



Important insect: Bees being bred for research on agriculturally important insects at the All India Coordinated Research Project on Biological Control of Crop Pests and Weeds (AICRP) at the National Bureau of Agriculturally important insects, Yelahanka, Bangalore. — Anishaa Ahuja

### **E-auction helps tobacco growers fetch higher prices**

Tobacco farmers in Karnataka have realised 24.95 per cent higher income this year (2012-13) by getting an average of Rs 115.82 a kg compared with Rs 92.69 last year (2011-12).

This higher income or realisation is attributed to introduction of e-auction, streamlining the auction procedure leading to more domestic and international bidders taking part.

“Karnataka farmers this year have secured the best possible price to his produce, a reflection of true market realities. Farmers have realised the benefits of e-auctions with record grade wise averages and 25 per cent increase in overall price over 2011 season which was held under manual auction,” B.N. Jayaram, Tobacco farmer from Hunsur (Mysore district) and Tobacco Board member told *Business Line*.

“This year under the e-auction procedure saw participation of many buyers representing both domestic and international manufacturer’s competing for their requirement,” he added.

“This auction year, farmers could see the price movement on LCD monitors fixed at different locations as different traders bid for their produce. The system removed uncertainty and confusion among farmers on pricing and took instant decision to sell or withhold it,” he added.

The new auction system has improved efficiency, reduced cost and improved revenue to the Tobacco Board due to higher price realisation,” he further added.

Of the 93.86 million kg (mkg) marketed, bright grades comprised of 20.79 mkg and were traded at an average price of Rs 144.

Medium grades, 44.66 mkg, were traded at Rs 127.72. Low grades, 28.41 mkg, were traded at Rs 76.5.

Due to new transparent e-auction system, more number of domestic manufacturers, exporter and local traders took part in the auction process.

At the Karnataka auctions, which recently concluded saw ITC buying the maximum, 30.98 mkg (33 per cent of the total marketed), followed by GPI at 13.33 mkg (14 per cent) and AO1 9.48 mkg (10 per cent).

#### **Cardamom continues to lose flavour on weak demand**



If the cardamom growing region receives good rains that would have a positive impact on the next crop.

Cardamom continued to lose flavour on weak demand in a sluggish market. Consequently, prices remained nearly steady at last week auctions.

Arrivals have shown a marginal decline following the continuous fall in prices. Nobody was interested to buy from a declining market.

Exporters were buying moderate quantities and an estimated 50 tonnes of the material were claimed to have been bought by them.

The average auction price continued to remain below Rs 600 a kg and vacillated between Rs 505 and Rs 590.

The exportable grade of 7mm and above capsules were being sold at Rs 725-750.

There were no buyers for fancy varieties viz., 8mm bold. Prices offered for the variety was below Rs 800. Much of the material were of inferior quality and that in turn has also aided the price decline, trade sources in Bodinaikannur said.

Total arrivals at the Sunday auction held by KCPMC decreased to 69 tonnes from 78 tonnes the previous Sunday and the entire quantity was sold out, P.C. Punnoose, General Manager, CPMC, told *Business Line*.

The maximum price was at Rs 921 and the minimum at Rs 380. The auction average was at the previous Sunday's level of Rs 567, he said.

Total arrivals and sales in August 1, 2012- May 26, 2013 were at around 13,390 tonnes (17,970 tonnes last year) and about 12,785 tonnes (17,310 tonnes) respectively.

The weighted average price as on May 27 stood at around Rs 715 against Rs 628 last year. Prices of graded varieties remained unchanged.

**Prices in Rs/kg were: AGEB: 820-830; AGB: 570-580; AGS: 560-570; and AGS -1: 540-550.**

**The cardamom growing belt has received scattered rains in last week bringing the temperature down.**

**If good rains are received that would have a positive impact on the next crop, they claimed.**

**According to them, next crop is likely to be early and it can be expected after mid-June.**

### **Arabian Sea shaping up for onset of South-West monsoon**

India Met Department (IMD) has taken note of the 'rogue' circulation in West-central Arabian Sea, off the Oman coast, which has developed into a low-pressure area.

Proximity to land does not give much scope for its intensification, which is a good augury from the viewpoint of onset of South-West monsoon over Kerala. Any intensification could potentially siphon away moisture from the monsoon system now beginning to build over the Arabian Sea and weaken it.

The Met Department located the 'low' would move northwestwards (towards Yemen-Oman) during the next two days. Meanwhile, it said conditions were favourable for further advance of the monsoon over some parts of south-east Arabian Sea and Comorin area (just off Kerala) during next three days. By this time, the rogue 'low' and its influence over the monsoon system would have died out, setting the stage clear for the onset over the Kerala coast.

Some more parts of Bay of Bengal are expected to be brought under monsoon cover during this period. One other good augury for the monsoon came in from the Bay of Bengal, where a persisting cyclonic circulation is to deepen into a 'low.'

The Met Department located the cyclonic circulation to over west-central and adjoining north-west Bay Bengal, an area thought ideal for formation of monsoon 'low's. Satellite imagery on Monday showed convective (rain-bearing) clouds standing tall over North Tamil Nadu, Bay of Bengal, Andaman Sea and south-east and west-central Arabian Sea.

Meanwhile, in north-west India, heat wave conditions have abated after a western disturbance with its cooler winds descended over the region.

### **HEAT RELENTS**

Winds blow in from high-pressure area to low-pressure area, so heating of the plains of north-west is inevitable for building the temperature and pressure differential relative to the South India. This pressure differential allows monsoon winds from Kerala to race into North along the



Western Ghats into Karnataka and Maharashtra before converging with monsoon easterly winds from Bay of Bengal.

Rainfall would scale up along the West Coast from Thursday, the Met Department said.

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### **Limited supply may hold cotton at current levels**



Cotton prices remained unchanged as demand was normal and supply was limited supply.

According to market sources, mostly South-based mills were active in buying.

Gujarat Sankar-6 cotton was traded at Rs 37,900-38,200 a candy of 356 kg. Medium grade cotton stood at Rs 37,500-37,800. V 797 cotton A grade was offered at Rs 27,000-27,500 in Gujarat.

Kapas or raw cotton was traded at Rs 945-975 for 20 kg and Kadi delivery kapas price was Rs 970-995.

About 10,000-12,000 bales of 170 kg each of cotton arrived in India and 32,000-34,000 bales arrived in India.

Cotton 29 MM (3.8+ micronaire) was traded at Rs 38,000-38,500 a candy, 29 MM (3.6 micronaire) cotton at Rs 37,300-37,700 in Maharashtra.

According to cotton brokers, south Indian mills are active in the market and some exporters are also buying.

Overall demand is normal but supply side is weak and it may hold the cotton price at current level.

### **Further drop in sugar unlikely**



Sugar prices declined further by Rs 10-20 a quintal on Monday taking total loss of Rs 50-80 since market reopened on last Wednesday.

Naka rates were down by Rs 10 for S-grade and Rs 30 for M-grade.

Mill tender rates dropped by Rs 10-20 for both varieties as producers offloaded commodity to maintain financial liquidity on hand on poor demand.

Sentiment was steady as prices are already ruling below cost of production at upper - mill level and it will not go down further.

Though currently demand is poor due to month-end, it is expected to improve next week.

Futures were almost flat with cautious mood, said market observer.

In Vashi market 58-60 truck loads (each of 100 bags) arrived on Monday but slack local demand cap local dispatches to around 54-55 truck loads.

Inventories in Vashi market increased on third consecutive day.

On Saturday evening, merely 9-10 mills offered tenders and sold 24,000-25,000 bags at lower price of Rs 2,930-3,010 (Rs 2,940-3,020) for S-grade and Rs 3,030-3,100 (Rs 3,040-3,120) for M-grade.

On National Commodities and Derivatives Exchange, sugar June futures was steady at Rs 3,020, July Rs 3,077 (Rs 3,074) and August Rs 3,139 (Rs 3,133).

**Bombay Sugar Merchants Association's spot rates were:** S-grade Rs 3,082-3,170 (Rs 3,102-3,180) and M-grade Rs 3,152-3,381 (Rs 3,232-3,411). **Naka delivery rates:** S-grade Rs 3,040-3,070 (Rs 3,050-3,080) and M-grade Rs 3,100-3,200 (Rs 3,140-3,220).

### Imported oils rule steady on firm global cues



Indigenous edible oils continued to decline while the undertone in imported oils remained steady on Monday despite extended gain in Malaysian palm oil futures. The volume was thin and isolated due to slack demand. Morale was steady, said sources.

In Mumbai, groundnut oil dropped further by Rs 25 taking total loss of Rs 155 this month while in Rajkot it rebounded on improved demand. Soyabean and rapeseed oil declined by Rs 2 for 10 kg each. Cotton refined oil was up by Re 1. Sunflower oil and palmolein ruled steady.

Sources said that in local market during the day, about 150-200 tonnes of palmolein were resale traded at Rs 504-505 ex-JNPT. Stockists kept away from fresh buying and concentrated to fulfil old commitments. Selling pressure rose in producing centres on expectation of timely monsoon and good prospects for Kharif sowing.

Mustard seed arrivals were 2.50 lakh bags and the prices were Rs 2,970-3,575.

Towards the day's close, Liberty was quoting palmolein at Rs 515-518, super palmolein Rs 550 and sunflower refined oil Rs 780. Ruchi was quoting palmolein at Rs 520 ex Patalganga and Rs 510 ex JNPT, soyabean refined oil Rs 665 and sunflower refined oil Rs 760. In Saurashtra – Rajkot, groundnut oil was up by Rs 20 to Rs 1,570 for *telia* tin and Rs 1,020 (Rs 1,010) for loose (10 kg).

**Malaysian BMD crude palm oil's** June contracts settled higher at MYR 2,365 (MYR 2,340), July at MYR 2,386 (MYR 2,378) and August at MYR 2,384 (MYR 2,371) a tonne.

**The Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 1,035 (1,060), soya refined oil 665 (667), sunflower exp. ref. 675 (675), sunflower ref. 760 (760), rapeseed ref. oil 698 (700), rapeseed expeller ref. 668 (670) cottonseed ref. oil 643 (642) and palmolein 507 (507).

**Vikram Global Commodities, Chennai** quoted Malaysian super palmolein at Rs 560 ex-Chennai.

#### **Pepper continues to rise on demand**



Pepper prices continued to head north on good buying support on the spot and on IPSTA trading. Domestic demand has aided the price rise, market sources told *Business Line*.

High Bulk Density pepper is in good demand. Local arm of multinational companies with multi-origin operations were buying Idukki and Rajkumari pepper at Rs 342-345 and Rs 347 a kg respectively.

Processors who were buying Karnataka and North Malabar pepper were also buying high range pepper for mixing so as to convert it as 550 GL pepper, they said.

On the spot, 56 tonnes of pepper arrived and 55 tonnes were traded all afloat. Karnataka pepper was sold at Rs 330-332 a kg while Wayanad (Pulpally and Battery) pepper was being sold at Rs 337. High range pepper was fetching Rs 342-345 and Rajakumari Rs 347.

Due to the summer showers in the pepper growing regions of Kerala, the pepper arriving at present has high moisture content of 13-13.5 per cent against the permissible 12 per cent, the trade claimed, and “this phenomenon is pushing up the parity,” they added.

June contract increased by Rs 175 to close at Rs 35,400 a quintal. July contract went up by Rs 225 to close at Rs 35,500 . August surged by Rs 332 to close at Rs 35,657.

Total open interest moved up by four tonnes to 27 tonnes. Total turnover increased by 20 tonnes to 110 tonnes.

Spot prices moved up by Rs 100 to close at Rs 33,700 (ungarbled) and Rs 35,200 (MG 1) a quintal on good buying support. The international market witnessed a softer trend in Vietnam and Indonesia today and though that has had some influence on the market here the good domestic demand has played the positive role and kept the market firmer here, they said.

Indian parity in the international market was at \$6,575 (c&f) for June shipments and \$6,675 a tonne (c&f) for July.

### **Rice market seen recovering in next few weeks**



Rice market may rule around current levels without much alteration this week, said market sources. Lack of buying interest pulled aromatic and non-basmati rice down by Rs 50-200 a quintal on Monday.

Absence of bulk buying pulled rice prices down, said Amit Chandna, proprietor of Hanuman Rice Trading Company. Despite a fall, rice prices are still ruling on the higher side. "It's hard to anticipate the market future as there has been too much volatility in the rice market over the last few weeks," he added.

However, a few experts see this fall as a temporary phase and expect that market may recover in coming weeks.

In the physical market, Pusa-1121 (steam) went down by Rs 100 and sold at Rs 8,150 while Pusa-1121 (sela) quoted at Rs 7,500 a quintal, Rs 200 down.

Pure basmati (raw) managed to maintain its previous level and quoted at Rs 9,000. Duplicate basmati (steam) traded Rs 150 down and was at Rs 7,100.

For the brokens of Pusa-1121, Dubar quoted at Rs 4,000, Tibar sold at Rs 4,500 while Mongra was at Rs 3,000 .

In the non-basmati section, Sharbati (steam) moved down by Rs 100 and quoted at Rs 5,000-5,050, while Sharbati (sela) was at Rs 4,600 , Rs 150 down.

PR varieties went down by Rs 50-100 on reduced offtake. Permal (raw) sold at Rs 2,400 while Permal (sela) went for Rs 2,400-2,450 . PR-11 (sela) sold at Rs 3,200-3,250 while PR-11 (Raw) quoted at Rs 2,900 .

PR14 (steam) sold at Rs 3,400-3,500 a quintal.

**Cheaper cotton oil drags soyabean oil**



Soya oil ruled firm even as demand remained slack.

Soya refined on Monday ruled flat at Rs 681-90 for 10 kg.

Similarly, soya solvent also ruled stable at Rs 655-60 on slack demand. Soya oil futures, by and large, ruled stable on subdued buying support with its June and July contracts on the NCDEX closing at Rs 706.50 (up 55 paise) and Rs 684.40 for 10 kg (unchanged). Decline in demand has mainly been due to higher demand in cotton refined which is being sold at much lower prices (Rs 635 for 10 kg) compared to soya oil.

Amid an arrival of 30,000 bags, soyabean prices in State mandis ruled at Rs 3,800-3,900 a quintal (down Rs 50 from last week).

Plant deliveries in soyabean also declined to Rs 3,925-75 a quintal (down Rs 25 from last week). Soyabean's June and July contracts on the NCDEX closed at Rs 3,803 a quintal (down Rs 30) and Rs 3,676 (down Rs 50.50).

Arrival continues to be on lower side with merely 25,000-30,000 bags being offloaded in mandis across Madhya Pradesh on Monday against 40,000 bags last week.

Soyameal in the domestic market ruled lower at Rs 33,800-40,000 a quintal (down Rs 1,000 from last week) on weak demand. Soyameal on the port ruled at Rs 35,000 a quintal.

## Business Standard

[Oilmeal exporters pin hopes on Chinese market](#)

## Neighbouring country to lift ban on Indian oilmeal after a year

Chinese Premier [Li Keqiang](#)'s recent visit to India has come as a major relief for the country's [oilmeal exporters](#). While overall oilmeal exports from India have shown a declining trend, the [Chinese market](#) seems to be opening for Indian oilmeal after a restriction of over one year.

"During the visit of Premier Li, China agreed in principle to reopen its market for Indian oilmeal. This is good news," said Vijay Data, president, Solvent Extractors' Association of India (SEA).

China had banned imports of oilmeal from India in January 2012, citing traces of hazardous dye and malachite green in oilmeal.

"There were talks between trade bodies of China and India and a delegation (from China) had expressed its willingness to visit Indian oilmeal manufacturing facilities. Things seem to be turning positive once again," said B V Mehta, executive director, SEA.

Before the ban, China imported Rs 600-700 crore worth of oilmeal from India. In 2010-11, India exported around 536,000 tonnes of oilmeal to China, which dropped to 354,000 tonnes in 2011-12, as imports were banned in January 2012.

India's oilmeal exports fell 14.3 per cent in 2012-13 against the previous year to 4.8 million tonnes (mt). In 2011-12, India had exported 5.6 mt of oilmeal, mostly to China and conventional buyer Japan.

### OILMEAL EXPORTS

Year	In mn tonnes
2008-09	5.4
2009-10	3.2
2010-11	5.1
2011-12	5.6
2012-13	4.8

Source: Solvent Extractors' Association of India

"Iran played a crucial role during the time of ban from China. Exporters could find an alternative to China. But now, there are payment issues with Iran and not many exporters are inclined to export to Iran. Hence, opening of Chinese market means a lot for them," said Mehta.

"Chinese authorities have softened their stance. Some modalities are being worked out and in the next couple of months, exports to China should start," he added.



In April, oilmeal exports to Iran fell by close to 31 per cent to 67,500 tonnes against 97,900 tonnes in the corresponding month last year.

Prices still continue to remain a major concern to stay competitive in the international market. Countries including South Korea, Vietnam, Japan, Indonesia and Iran have significantly cut their oilmeal import due to price factor.

### **SEA push for RBO**

SEA has joined the international edible oil community for setting up a global organisation to promote rice bran oil (RBO). The move aims at creating awareness among edible oil consumers about the health-related advantages of RBO.

RBO matches the prescribed levels suggested by the World Health Organization ([WHO](#)), SEA noted in its report on RBO.

"There was a common consensus for setting up an International Council on Rice Bran Oil with an objective to promote and encourage international technical cooperation, expansion of international trade, promoting virtues of RBO and its consumption across the world. An adhoc committee was formed to initiate the process for setting up an International Council on Rice Bran Oil at the earliest," Vijay Data, president of SEA said in a statement.

### **Punjab rice mills in the red as milling season stretches**

#### **A severe space crunch for storage agencies in the state is making matters worse**

Rice mills in Punjab are losing money owing to lack of storage space for [custom-milled rice](#) (CMR). CMR is [paddy](#) procured by government agencies and given to the mills for processing. The rice is distributed via the public distribution system.

Punjab has 3,960 registered rice mills, of which about 3,800 are operational. These mills are concentrated in four districts - Sangrur, Patiala, Moga and Ludhiana. Millers claim the milling season should be over by March 31, because the rise in temperature in April affects the quality of grain.

According to Tarsem Saini, the president of the Rice Millers' Association of Punjab, "The ideal moisture content in paddy is 16 to 17 per cent, but in summer it comes down to 12-13 per cent. The 'driage' loss, which leads to loss of weight, then increases from 25 per cent to about 35-40 per cent. A driage loss of up to 25 per cent is compensated by the central government. Anything beyond this is a loss to the miller."

According to Saini, the paddy crop starts arriving in October and the milling should be over by March. In the past few years, owing to increasing paddy yields in the eastern states and some other states becoming self-sufficient in wheat and paddy production, the movement of grain from Punjab has slowed down.

This has created a severe space crunch for storage agencies in the state. Paddy can be stored in the open but wheat has to be stored in covered areas. The milling of paddy is, therefore, deferred to accommodate wheat.

A senior official from the Food Corporation of India ([FCI](#)) confirmed that wheat production in Punjab has almost doubled in the past five years (from 6.7 million tonnes in 2007-08 to 12.5 million tonnes in 2011-12). The FCI is short of staff, which has affected the streamlining of paddy storage, as wheat needs immediate attention.

The high cost of power and rising wage rates have already affected the bottomlines of SMEs in Punjab. The stretched milling period has come as the last straw on the camel's back for rice mills, said M R Gupta, a miller from Patiala.

Gupta added that paddy processors in Punjab have the capacity to process 10,000 tonnes of paddy per hour, and the entire paddy harvest can be processed in three months. However, due to the space shortage, slow movement of grain and government agencies' lack of manpower, the process stretches to nine months.

This adds to the cost in terms of labour, power, storage and handling. "We have to incur a cost of Rs 10 per bag for lifting, carrying, loading/unloading for the old stock, which is reassessed by the government agencies for quality and weight. The mills are running single shifts and labour has to be retained at any cost," he said.

The additional storage space created can solve the problem only if the demand from consuming states increases. The government is planning to add additional storage space under the private entrepreneur guarantee scheme, but since the state's own consumption is low, this is a short-term solution.

### **Byproducts to rescue sugar mills**

**Ethanol, power to compensate low return on sugar; mills with in-house value addition to realise more**

The molasses and bagasse [byproducts](#) are set to rescue [sugar mills](#) from their financial problems on their core operation in the coming crushing season. Accordingly, mills have plans for Rs 4,000 crore of investment in the coming year, to raise income from allied activities, such as power generation and distilleries.

At the current payable cane price of Rs 275-290 a quintal, the average cost of sugar production works out to Rs 3,300 a quintal against the current price in the benchmark spot Kolhapur market at Rs 3,000 a quintal. However, the byproducts would be converted into remunerative products such as ethanol and power.

"Byproducts are set to prove the saviour for the mills," said Abinash Verma, director-general, [Indian Sugar Mills Association](#).

An Icra report said the prices of bagasse and molasses continue to remain remunerative, driven by healthy demand from consuming sectors such as power, paper and alcohol. Higher realisations for ethanol fuel will result in even higher returns. Further, forward integration into distilleries and power generation continues to yield healthy returns, driven mainly by a supportive regulatory framework and healthy offtake and pricing for alcohol and power.

"With the partial decontrol of sugar sales and an upward revision in ethanol prices, along with the commitment on full procurement of the green fuel for mandatory blending with petrol by the oil marketing companies ([OMCs](#)), the sentiment has changed. Fresh investment will come largely in byproducts, including ethanol and electricity generation," said Narendra Murkumbi,

managing director of [Shree Renuka Sugars](#).

A significant part of the total revenue and profits of sugar mills comes from byproducts, especially in the case of forward integrated entities. Although there are concerns pertaining to timely collections from mills selling to state-owned utilities, especially in Uttar Pradesh and Tamil Nadu, there has been an improvement in payment receipts from these utilities lately. Consequently, forward integration will remain crucial for improving profitability and riding through the cyclicity of the sugar industry, said the Icra report.

With the current bagasse output, sugar mills can generate 7,500 Mw of electricity annually against the actual current generation of 3,200 Mw. The remaining bagasse is used for manufacturing paper and press board (raw material for furniture). "Around half of sugar mills' power generation capacity is underutilised," said Verma.

A number of small units sell bagasse to larger companies in the sector and to paper manufacturers, to avoid investing in value addition. Consequently, not only do the prices of byproducts fluctuate, depending upon demand and supply; but these also create uncertainty in mills' revenue generation.

"Mills with own value addition facilities would get higher returns than those selling byproducts to others," said Verma.

Also, OMCs have offered around 25 per cent more in ethanol prices to distilleries, from Rs 27 a litre earlier to Rs 34-36 a litre now.

### **Coriander falls over 2% as demand declines**

#### **Profit-booking by speculators affected the trade**

[Coriander](#) prices fell by Rs 142 to Rs 6,640 per quintal in futures trade today on profit-booking by speculators as demand waned in the spot market against the excess supplies.

At the Multi Commodity Exchange ([MCX](#)), the June contract fell by Rs 142, or 2.09% to Rs

6,640 per quintal in 21,780 lots.

The July contract declined by Rs 124, or 1.80%, to Rs 6,760 per quintal in 15,580 lots.

Market analysts said besides profit-booking by speculators at existing higher levels, sluggish demand in the spot market led to the fall in coriander futures prices.