

Oilseeds**Settlement Prospects for Groundnuts**

THE trend on the oilseeds market during the fortnight under review was irregular. Trices had finned up at the outset on the announcement of an export quota of 21,000 tons for groundnut oil for the second quarter. But later on, the market again sagged on discouraging advices from foreign markets and small export business materialising. The undertone was subdued at the close.

The trade had decided to square up outstanding commitments both in groundnuts and linseed for April-May delivery at Rs 31-4 and the settlement against these transactions is to take place on the 8th and 9th. The genuine trader has legitimate grievance against, this decision of no deliveries against sales. A section of the trade points out that had this decision not been taken, it would have been almost impossible to put through the settlement as there would have been numerous defaults. In early January this year, prices of groundnuts and linseed for April-May delivery at Rs 31-4 and the set-high as Rs 41-12 and Rs 40-12 respectively. The latest spot rates are Rs 26-8 and Rs 24-8 respectively. Business below Rs 31, however, had to be suspended by brokers some weeks ago. On an unit of trading, i.e. 25 tons, the difference between the highest prices touched in January and the rates agreed for settlement comes to about Rs 6,000. The amount involved in differences in groundnut and linseed is estimated at Rs 50 lakhs. Though efforts are being made to meet the differences on the appointed days, viz., 8th and 9th, it appears that many days will be taken for completing the settlement in full. There will also be many other difficulties as the decision is not legally binding on the parties.

If the business was to be squared up, it could have been done a month ago, and that too with the approval of the Oilseed Exchange. The difficulties were there even then, as speculation had been rampant, under the garb of delivery contract and now sellers are unable to deliver.

In groundnut oil, the Oil Merchants Chamber decided earlier to square up the business at Rs 15-12 for March and Rs 16 for April delivery. Here also delivery has not been effected.

Castorseeds futures for the impending May delivery touched the floor of Rs 131 and then recovered to Rs 135. The floor price of Rs 131 will be effective till 9th April but it is likely to be removed thereafter, in view of tenders against the maturing contract. The May contract is likely to continue. In the meanwhile, decision to start trading in September delivery will be taken in the next few days.

The Government of India have withdrawn, with effect from April 1, 1952 the condition that 20 per cent of the quota of castor oil granted for the period January to June would be

valid for shipment to Australia only. It can now be exported to any permissible destination. The quota granted for export to dollar areas, however, will be valid for export to dollar areas only. A supplementary export quota for linseed oil has also been announced. This, however, had no effect and the tendency for the linseed market was easier. The Government of India have removed control on cottonseeds.

The All-India final estimate of groundnut 1951-52 puts the current year's area and production at 11,755,000 acres and 3,037,000 tons respectively as against 11,134,000 acres and 3,437,000 tons of the partially revised estimate for last year, thereby showing an increase of 625,000 acres or 5.6 per cent in area and a decrease of 400,000 tons or 11.6 per cent in production.

Price Range of Oilseeds

Oilseeds per cwt. oil per quarter, in Rupees and annas.

Groundnut	March 1952	High	Low	April 2
Bold ready	25-12	30-0	25-8	26-8
Coromandel	26-0	30-8	26-0	27-0
Khandesh	27-8	31-8	27-0	27-8
Linseed				
Bold Ready	26-8	28-8	24-4	24-8
Castorseeds				
Madras quality	27-12	30-0	25-8	26-0
May 1952 Delivery*	142-8	156-0	131-0	134-8
Oils				
Groundnut oil ex-mill	14-8	16-4	14-12	15-0
.. Receipt	14-4	16-0	14-8	14-12
Linseed oil	16-12	17-8	15-8	15-8
Castor oil Commercial	17-0	17-10	15-12	16-4

* per candy of 5 cwts.

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